



**REPORT ON  
ORGANISATION OF ADMINISTRATIVE AND  
FINANCIAL STRUCTURE FOR BACKWARD AREAS  
DEVELOPMENT**



**PLANNING COMMISSION  
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**NATIONAL COMMITTEE ON THE DEVELOPMENT OF BACKWARD AREAS**  
**REPORT ON**  
**ORGANISATION OF ADMINISTRATIVE AND FINANCIAL STRUCTURE**  
**FOR BACKWARD AREA DEVELOPMENT**

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## SUMMARY OF RECOMMENDATIONS

### *Concept and Approach*

1. The objective should be to initiate all-round growth, utilising the full potential of the area with the help and participation of the people of the area.  
(Para 2.1)

2. Considering the problems and the differing conditions, any approach towards the development of backward area must aim at realising their full potential, with special emphasis on the least advantaged. The aim should be to improve the quality of life of the people in backward areas.  
(Para 2.12)

3. The emphasis on the needs of the least advantaged groups should involve the following :

- (i) improvement of productivity and earning capacity of the poor in their existing activities;
- (ii) promotion of new activities to absorb the surplus labour force of poor house holds; and
- (iii) training the traditional workers in improved technology and methods to make their efforts more remunerative; and
- (iv) training, particularly of younger household members to undertake new activities.

(Para 2.13)

4. The actual contents of the programme would depend upon the conditions prevailing in the areas concerned, but, by and large, subject to their suitability, following activities would be appropriate for achieving the goals in view :

- (i) Agriculture and allied activities
- (ii) Irrigation
- (iii) Soil conservation and water management
- (iv) Animal husbandry and poultry
- (v) Fisheries
- (vi) Forestry
- (vii) Processing of agricultural produce
- (viii) Organising input supply, credit and marketing
- (ix) Village, Cottage, tiny and small industries
- (x) Training of local youth and upgrading of skills of local population
- (xi) Developmental infrastructure and
- (xii) Social services—
  - (a) safe drinking water supply

- (b) health (including family planning and nutrition)
- (c) education
- (d) housing
- (e) sanitation
- (f) local transport
- (g) social welfare.

(Para 2.14)

5. The Block should be taken as a 'unit' for planning and development.

(Para 2.16)

### *Planning Process and Decentralisation of Planning*

6. The block being the 'Unit' for planning and development, integrated area development programmes should be implemented through a project approach on the integrated tribal development project (ITDP) pattern, covering 2 to 3 blocks, depending on the local conditions and situation.

(Para 3.1)

7. It is to be ensured that the Block plan does not become a lone and truncated exercise and must be closely coordinated with planning at the District and State levels.

8. In order to ensure that necessary direction and guidance on major policy issues connected with the development of backward areas, particularly in block level planning and implementation, is available, there should be a high-powered steering committee at the State level under the Chairmanship of the Chief Minister and consisting of the Ministers for the key sectors in rural development such as Agriculture, Industry, Health, Education, Irrigation, etc., as Members. A senior officer of the rank of Commissioner should be Secretary of this Steering Committee.

(Para 3.15)

9. Block Level Plans and surveys should be initially carried out by a Block Level Planning Team consisting of the Block Development Officer and other technical and related staff available in the Block, assisted by surveyors, recruited on temporary basis to collect information about the household.

(Para 3.20)

10. A District Planning Cell for the backward areas would have to be created. It is not necessary to provide whole-time technical specialists since the existing technical staff should be in a position to provide the necessary technical expertise for collecting of data and formulation of plans for the District.

(Para 3.20)

(i)

11. The existing Technical Cells which have already grown during the Fifth Plan for strengthening the planning machinery at State level should provide necessary technical and secretarial support. In the case of such states as have not so far set up those cells, steps should be taken to set them up immediately. There should be a separate unit in the Department responsible for plan implementation to monitor and analyse variations in the levels of development in backward areas in the State and act as a "nodal" point for integration of backward area plans in the State Plan.

(Para 3.20)

#### *Methodology of Central and State Plan Allocations*

12. In order to ensure that necessary resources are provided both by the Central and State Government to achieve the objective of integrated rural development of backward areas, it is essential to earmark the resources, out of the planned resources, separately for the development of the backward areas.

(Para 4.2)

13. It is not enough merely to lay down that adequate funds must be made available for the development of backward areas. Governmental approaches and reflexes should be such as to convince the people that the Government of the day is really intent upon improving their lot and the backward areas would get their due share out of the national kitty and it is not their better-off brothers who would prosper at their cost. Therefore, the concept of a "Sub-Plan for the development of backward areas" should be introduced, both at the National and the State levels.

(Para 4.5)

14. As regards the methodology, it is recommended that the total State Plan outlay, including Central assistance available under the Gadgil and IATP formulae, which forms part of the State Plan, should first be divided into divisible and non-divisible portions. Care will have to be taken to ensure that no attempt is made to inflate the non-divisible pool and only such items, as are really not divisible, should be included in the non-divisible pool. It should also be ensured that allocations already earmarked for backward areas and classes like hill areas, tribal areas etc. are not reduced; in fact, there should be a gradual increase every year in the overall resources earmarked for such areas.

(Paras 4.12 & 4.13)

15. The divisible resources should be worked out on the basis of the following : (a) Calculate non-divisible resources intended for such items as are for the benefit of the whole State and are not susceptible to any division between the backward and non-backward areas, (b) Calculate what is already earmarked for such areas and classes as are backward like hill, tribals, arid and semi-arid areas, etc. with a suitable progressive increase every year; and (c) excluding (a) and (b), the remaining State Plan resources would be regarded as divisible.

16. After giving careful consideration to what should be the most equitable formula for dividing the divisible outlays, it is recommended that the State

Plan outlays for the backward areas should be worked out on the basis of 50% of the population and 50% of the area comprising the backward areas.

(Paras 4.12 & 4.13)

17. Once the State Sub-Plan and the total outlay for the backward areas has been determined, the provision for such schemes like power, major and medium irrigation projects would be taken out as addition to the project or projects where the schemes are located. The remaining Plan provision would then be disaggregated on the basis of a project or a District where the whole District is declared as backward. There are going to be disparities even within the backward areas which are, comparatively speaking, somewhat more backward. For this disaggregation, it is recommended that this should be done on the basis of weightage of 50% of population, 30% of the area and 20% of income generated. As indices of income generation are not likely to be readily available, it is suggested that till such time as reliable indices become available for giving weightage to the less backward areas, disaggregation may be done on the basis of 50% of population and 50% of the area.

(Para 4.17)

18. It is suggested that the Central Ministries may carry out a careful exercise and determine which of their schemes are of universal nature and can be divided between the backward and non-backward areas.

(Para 4.19)

19. As has been suggested in the case of the State Plan, it is recommended that each Ministry should work out a list of schemes which they consider can be classified as divisible. Once this exercise has been carried out, the total outlay available for such divisible schemes should be apportioned between backward and non-backward areas of the country on the basis of weightage of 50% for population and 50% for area in the backward regions of the country. Ideally, of course, the best formula would be to work out allocations for the backward areas on the basis of 50% for population, 30% for area and 30% for income generated in the backward areas.

(Para 4.20)

20. In respect of Central schemes where sharing is on the basis of 50% grant from the Central Government, it should be ensured that matching grants are always available from the Central Ministries where State Governments have made provision for these schemes in the backward areas.

21. Under "Integrated Rural Development Programme", where the accent is on weaker sections, the Ministry of Rural Reconstruction has laid down criteria for defining beneficiaries and procedure of identification. These are good enough for identifying beneficiaries for the beneficiary oriented programmes and selection of the poorest from among those who are so identified.

(Para 5.7)

22. In the absence of any precise statistical data, income estimation of an individual can at best be done

either on the statement of the individual or on the basis of the information given by the village Sarpanch etc. It is here that the crux of the situation lies. Such an approach is open to abuse and can lead to a misdirection of benefits. What precautions should be taken if any scientific attempt to collect statistical data about incomes etc. is to be avoided? The only solution would appear to be involve the people themselves. Data so collected should be analysed in a public forum in the village, cross-checking with a large public participation.

(Para 5.8)

*Organisational set up for Planning and Implementation*

23. The concept of planning for development and its execution, as a time bound programme, will require a well-considered counter-part Administrative input. Whilst the various hierarchical administrations and institutions and local bodies must be responsible for the perfection of their own systems of delivery, the overall command must be able to co-ordinate the programmes and distribute responsibility to the various parts. It must also have a minimum administrative control over the various field level organisations to get agreed programmes effectively implemented. This is more so in backward and rural areas where the gap between intention and implementation is particularly large because of hierarchical weaknesses. Such a system has necessarily to be based on an area approach.

(Para 6.2.)

24. Broadly speaking, the planning and development administration at the area level must ensure a coordination of the political, administrative and local institutions, bring together all the administrative operations at the area level under effective coordination, and provide an effective mechanism for formulation of programmes of development, based on local resources, needs and expectation of the people, and interaction with the existing institutions and local bodies, and bring an administrative cohesion in these bodies by persuasion and be in a position to clearly lay down a programme of work for the participating agencies which could be made responsible for the proper execution of their respective assignments.

(Para 6.3)

25. A strong multi-disciplinary leadership at the project level will have to be conceived. Whatever name this organisation is given and whatever task is entrusted to it for comprehensive development, it will have to address itself at every moment about its efficacy in crucial areas. Some of its essential features have to be a fairly wide delegation of authority, both in terms of finances and personnel, day-to-day administrative control over all related functionaries, irrespective of the department to which they belong, flexibility in budgetary and accounting procedures, etc.

(Para 6.29)

26. Considering the fact that the new strategy envisages a comprehensive development approach, what has to be aimed is not the creation of a new organisation but suitable restructuring and remoulding of the existing set up. The administrative set up

for integrated rural development should be area based, with built-in-multi-purpose characteristics for a well-defined area. The set up should cover all rural development activities which should function in a coordinated way. In other words, the set up would largely be an entity comprising of the existing administrative units in the given area, with such innovations and modifications as are necessary to achieve the end in view.

(Para 6.31)

27. A comprehensive development project is envisaged to be implemented on the basis of a "Project Approach" on the pattern of the Integrated Tribal Development Project for the total development of the project area. This project should cover the entire non-regulatory administrative apparatus in the project area. Each Project will consist of two or three identified backward blocks, depending upon the needs and size of the area. Situations can arise where a district may have only one such project or more than one project.

(Paras 6.34 to 6.37)

28. Flexibility in original constitution, adaptability to every changing situation, adequate delegation of powers are some of the essential requirements which have to be satisfied by any formal structure of an IDP. The best course would be to set up an appropriate authority by an executive order of the State Government. The executive order should clearly lay down the delegation of powers so that there is no time lag between the formal constitution of an authority and its effective functioning. An authority created by an executive order will have the advantage of avoiding the creation of a separate legal entity. The developmental programmes through such an agency should be conceived as comprising the totality of programmes under all sectors.

(Para 6.41)

29. The authority would be responsible for : (i) planning, direction and monitoring of all programmes in the Blocks within its jurisdiction, (ii) exercise such powers as are considered necessary to ensure not only coordination of the work of all the departmental officers in the Project but also be in a position to have such control as would enable it to issue directives and take work from them. All officers in the Project would be directly under the day to day administrative control of the Chief Executive Officer. It has, however, to be ensured that the technical supervision and guidance from the concerned Departments should continue, as hitherto, and is not diluted in any way.

(Para 6.43)

30. The Block Development Officer or his equivalent, would function as the Executive Officer under IDPA so far as the Block is concerned. All beneficiary-oriented programmes would also be implemented by the Block administration under the overall superintendence and direction of the IDP Authority. People's associations and voluntary organisations should be given fullest opportunity to plan and implement the programmes.

(Para 6.44)

31. The block level planning and the project level implementation would require coordination at a

somewhat higher level in order to work out a proper plan and secure the best deployment of resources. This has to be done at the District level. It is, therefore, suggested that the Collector should be the Chairman for all projects located in his district.

(Para 6.45)

32. At the District Level there should be Advisory Committee for Planning, Coordinating, Monitoring and Implementation.

(Para 6.46)

33. In the light of the set up suggested by the Committee, under which planning and implementation will be taken up by the project authority and the coordination by the District Planning & Coordination Cell, a view would have to be taken whether there is any need for the existing agencies, namely, SFDA, DPAP etc. to continue as a separate entity or get merged with the District Monitoring and Coordination Cell at the District level.

(Para 6.47)

34. Apart from the Steering Committee under 'Planning' which will guide the implementation of all programmes in the backward areas in the State, it would be necessary to have a coordination cell at the State Headquarters not only to monitor reprogress by various development Departments but also to exercise the necessary budgetary control and to ensure that Plan allocations made for the development of backward areas are not diverted to any other area. This Cell must necessarily be attached to the Department dealing with Planning.

(Para 6.48)

35. An officer of the rank of Additional Secretary/ Joint Secretary in the Ministry of Rural Reconstruction should be designated as Director General, Development of Backward Areas. His duties would be to monitor and evaluate the progress in the implementation of various programmes. He would also coordinate with the other concerned Ministries about the release of funds, etc. like tribal development with Home Ministry, Rural Health with Health Ministry, Education with Education Ministry and drinking water with Ministry of Works & Housing.

(Para 6.49)

36. The developmental activities and functions in the District should be grouped into a number of broad specialisations. These include, depending upon the need : (1) Planning, monitoring and evaluation, (2) Agriculture and allied sectors, (3) Forestry, (4) Engineering Services, (5) Health Services, (6) Social Services and (7) Industry and Employment. Each broad group may be headed at the District level by an expert in a sub-specialisation which may be the most important for the area.

(Paras 6.50 to 6.51)

37. In an integrated area development approach, it would be useful, to have integration of specialised functions within the same broad discipline under the charge of a sufficiently senior Officer, each incharge of a broad specialisation. All sub-specialisations within each broad specialisation should be under unified command of the head of the Branch. The functions at

lower levels would need to be made broad-based and redefined.

(Para 6.52)

38. Since the Collector or the District Magistrate would be Chairman of all the project authorities located in the District, it would be essential to provide a separate cell to coordinate and monitor the implementation of programmes in various projects at the District level.

(Para 6.54)

39. Relationship of the Integrated Development Project Authority and the Panchayati Raj Institutions has been defined in paras 6.62 to 6.65.

(Paras 6.62 to 6.65)

#### *Personnel Policies*

40. The backward areas, in particular tribals, inaccessible hills and desert areas suffer from some special disabilities because of their special problems. Some of these are : (i) lack of special services like education, health; (ii) many of these areas are still unhealthy; (iii) communications generally are not well developed; (iv) housing facilities are conspicuous by their absence in the interior areas; and (v) most areas lack minimum amenities which are available in towns. In view of the considerable disparity in the availability of social services like education and health indifferent areas and spiralling prices which makes it difficult for fixed income groups to keep to the expected standards of living, transfers and postings, in effect, have come to be a part of the reward and punishment system in personnel administration. This is not a happy situation. Elements of punishment which have crept in must be eliminated by suitable built in elements of compensation.

(Paras 7.2 & 7.3)

41. Large number of development posts in the backward areas are lying vacant.

(Para 7.5)

42. More and more efforts would have to be made both at the political and administrative levels as well as in the educational institutions wherein younger generation entering the State services would have to realise that their responsibility lies more in serving their less fortunate brethren though it may lead to more effort and discomfort on their part.

(Paras 7.6 & 7.7)

43. The problem of personnel can be generally divided into three parts :

- (i) Personnel at higher level, generally belonging to all-India services or higher State services;
- (ii) Personnel at the district level belonging to State services or junior levels in all-India services; and
- (iii) Personnel in local cadres.

The problem in each category is different and calls for a different solution.

(Para 7.8)

44. A suitable system should be devised to ensure that the selection of officers is based with a view to posting such of them in backward areas as could take up the challenge of difficult work and who have the requisite sensitivity, aptitude, training etc. and the selection should be institutionalised at all levels.

[Para 7.9(i)]

45. Steps should be taken to amend the service rules to make it compulsory for each future direct entrant to service for at least three years in the areas which are specifically identified as backward.

[Para 7.9(ii)]

46. As far as possible, barring perhaps the senior administrative and supervisory posts, where experienced officers would be necessary, direct recruits, after suitable training, should be posted to the backward areas. They should not be kept for more than 3 to 5 years in the backward areas and an incentive should be offered to them after completion of their tenure in the backward areas by giving them a posting to a station of their own choice.

[Para 7.9(iii)]

47. It should be ensured that the first posting on promotion is to the backward areas. In case of their reluctance or diffidence, service rules should be so amended as to deny them the promotion for a requisite period, leading to loss of seniority. The incentive of giving them a station of their choice after serving the backward areas should also be available to them.

[Para 7.9(iv)]

48. Field level and other similarly placed workers should be recruited from within the project area to the extent possible, if not possible, it should at least be made districtwise for such lower cadres.

[Para 7.9(v)]

49. Travelling allowance rules should be suitably amended to provide incentive to the personnel to move on foot or on cycle in remote areas.

[Para 7.9(vi)]

50. Officers posted to backward areas should be allowed special study leave over and above their normal entitlement, to undertake study work or research work in academic institutions in these fields.

[Para 7.9(vii)]

51. State Governments should give topmost priority in existing Plan programmes and make specific provisions for housing accommodation in the backward areas, particularly at the block and project level. Funds should also be provided for office accommodation wherever it is not available at present.

[Para 7.9 (viii & ix)]

52. Adequate higher-level educational and health facilities must be provided at least at the District headquarters.

[Para 7.9(x)]

53. Efforts should be made to establish Central Schools so that the children of staff working in backward areas do not suffer when they get posted in the

areas where the medium of instruction is in a different language.

[Para 7.9 (xi)]

54. Field officers should be allowed the use of departmental vehicles for carrying patients to such hospitals where specialist treatment is available in case the existing medical facilities at the posting base are not adequate.

[Para 7.9 (xii)]

55. Newly recruited Medical Officers should be posted to the backward areas and it should be made a condition of their service at the time of recruitment.

[Para 7.9 (xiii)]

56. Once a policy is laid down for posting the officers and staff and posting orders issued in accordance with this policy, this should not be cancelled or postponed, save in exceptional circumstances.

(Para 7.11)

57. It is quite possible that the rationalisation of organisational structure and personnel in each project area may reveal considerable spare capacity in the organisations. This can be used for the additional work load likely to be created by the new developmental effort. Much spare capacity may particularly be available at lower levels because each organisation at present is trying to reach the field level through an independent hierarchy. On the other hand, higher level technical expertise may not be available. Each functionary may be looking to the district or the regional level for guidance in its respective field. The technical officers working in the project area should be on the regular strength of the respective cadres. There should be no deputation of officers to the project authorities. The requirement of additional personnel in the IDP area should be met by suitably upgrading departmental posts adding to the regular cadre strength of the concerned departments at an appropriate level.

(Para 7.12)

58. In the absence of proper evaluation and follow up programmes, training in a number of cases has got routinised. Each Institution and each State appears to be moving in isolation. Training programmes for officers are sporadic and are not followed in all cases. The whole training programmes for backward areas needs to be reviewed and reinforced at the national and state levels.

(Para 7.13)

59. Officers working in backward areas, particularly in tribal and hill areas, are many a time not conversant with the local language. This results in a deep gulf between the administration and people. Therefore, proficiency in the major tribal languages should be insisted upon in case of all officers posted in tribal and hill areas. A cash award of Rs. 5,000 should be given to every officers who attains the required proficiency. Tribal Research Institutes in States should make arrangements to impart training in tribal languages and have a proper standard for judging the proficiency of officers. Major dialect in the tribal areas should be treated on the same basis as tribal languages.

(Para 7.14)

60. Incentives by themselves will not be sufficient. There should be an element of compulsion for learning tribal dialect. Every individual, who joins a local cadre, should be expected to learn the local dialect within a period of one year. This should be incorporated as a condition of his appointment. Failure to learn the dialect should automatically result in termination of his service. Officers belonging to State and all India Cadre posted to these areas should also be expected to learn the local dialect within one year. In case of failure to do so, an adverse entry in their character roll should be made and further increments may be stopped.

(Para 7.15)

#### *Financing and Budgetary Control*

61. For expeditious development effort, in the backward areas, a mechanism has to be evolved so that the adverse effect of the financial year ending at an inconvenient time in the working season and the time lag in allocation which results in the loss of full agricultural season in these areas can be remedied.

(Para 8.3)

62. The existing procedures are so time consuming that by the time the field functionaries are in a position to execute them, the year is out. The departmental heads are naturally anxious to utilise the funds allotted to their departments and this results in their diverting the funds to programmes for which these were not originally intended. A mechanism has, therefore, to be devised not only to cut down the delays in issuing the sanctions and allocation of funds but also to ensure that adequate powers are available at the field level and reappropriations, if any, are not done to benefit the non-backward areas out of the funds intended for the backward areas.

(Para 8.6)

63. The following budgetary approach for bringing in greater local involvement in the planning and implementation process for backward area development is recommended. The main objective, the Committee is seeking, is to gradually transfer to the planning and implementation unit at the project level larger and larger amounts every year which will be amenable to their control in planning their own area development. Another objective that the Committee has before it is to ensure that the intention to divert divisible developmental budget for the benefit of every project area in the backward area really gets translated in implementation and the funds so promised in the Plan and the budget at the beginning of the year do not get diverted to the non-backward areas. The methodology the Committee has suggested may not be fully acceptable to every State because of the present constraints and its budgeting methodology. It is hoped that sufficient changes will be brought in by every State in their budget methodology to ensure that the two basic objectives, the Committee has in view, are achieved.

(i) Under each major demand for the various development departments, a minor head shall be provided taking out the divisible share under each type of backwardness. There should be a convention that such funds shown against any type of backwardness are not

reappropriated to any of the other heads in either the minor or the major head of the concerned department.

(ii) There shall be a major demand for each type of fundamental backwardness, for example, tribal, hill, drought prone, desert, chronically flood-affected and coastal areas affected by salinity which may be accepted as categorisable as backward. Under this budget will be brought together—

- (a) the annual amounts under the sub-plan of the various departments to be transferred for local planning, as recommended in paragraph 8.14.
- (b) The special funds allocated in the State budget and in the Centrally-sponsored budget for ameliorating the conditions in that category of backward areas.
- (c) The proposed special additive of Rs. 5 lakhs which will be available for local planning and implementation, under each block of a project area, under that type of backwardness.

(iii) The disaggregated budget provision indicated under the minor heads of the major demands, as extendable under each type of backwardness, would continue to be operated upon by appropriate administrative departments in the normal way. A convention will be established that the department will have no authority to reappropriate the funds earmarked for the development of backward areas whether within the backward areas or to other non-backward areas without specific approval of the State Department incharge of monitoring and policy formulation for development of backward areas.

(iv) The Controlling officers of the administrative departments will have the responsibility of preparation of budget estimates, submission of revised estimates etc. Disaggregated provision under the minor head under each class of backwardness will naturally have several sub-sectors relating to various plan programmes of the departments in the backward areas. The administrative departments should have the power to reappropriate funds within each project area under the broad type of backward area from one sub-sector to another sub-sector so as to ensure that overall surrender of funds, the project area is entitled to, is avoided as far as possible.

(v) The planning and implementation organisation at the block level and the district level will have to formulate the integrated development plan for the allocations under the minor heads for the various types of backwardness, along with supporting or modifying plans fully under the control of the project authority for which funds are provided under items (b) and (c) of paragraph (ii) above. The intention is that gradually a rapport will be established between the development departments and local planning to orient the departmental plans to fit in with local aspirations and requirements in the interest of maximising development and helping the poorer sections.

(Para 8.13)

64. Even though the divisible part of the State Plan is allocated to the projects, the sheer inertia of on-

going programmes will leave very little scope to the local planning group to adjust the funding to local requirements of an integrated development approach at the local level. Special steps will, therefore, have to be taken to force gradually a discretionary allocation to the local planning and implementation group to enable them to bring in local planning of greater and greater magnitude gradually. In the first year of the Plan, it may not be possible for the States to adjust their budgets to allow for this local diversion. But from the second year onwards, starting with 10% of divisible amount and gradually increasing by 10% each year and reaching 40% in the fifth year, out of the divisible allocation, these amounts will be given to the Project Authority for planning and implementation of local programmes, best suited to their needs.

(Para 8.14)

65. The Committee would recommend that 25% of the departmental outlay covering the expenditure in the first quarter of the new financial year based on the budget provisions made by the department concerned and approved by the State Legislature may be released immediately the budget is approved by the State Legislature to the Authority, without waiting for the formal sanctions to be issued by the concerned departments. This would enable the Authorities to maintain the continuity of the ongoing approved programmes without any interruption and would not have to await the receipt of formal sanctions from the concerned departments. Issue of formal sanction does take time. This procedure would avoid loss of any working season. In case there is delay in issue of sanctions for more than three months, more funds could be released, in advance, for the second quarter.

(Para 8.16)

66. The Project Authority should be given powers to sanction any new scheme from the proposed project fund for local planning on the advice of the Board of Management and subject to the conditions enumerated therein.

(Para 8.17)

67. As regards the funds administered by the concerned Departments, the IDP authority is in due course expected to prepare its own programmes and plans, which should be sent to the concerned Department after due approval by the Local Board of Management. Once the scheme and programmes have been approved by the competent authority at the State level, the IDP authority should be given the total outlay relatable to the project areas for all the schemes approved therefor. They would, of course, have to be given policy guidelines by the State in preparing programmes to be undertaken by them but they should have complete freedom and flexibility to work out their own priorities.

(Para 8.19)

68. The best course to avoid lapse of savings would be : (i) efforts should be made by the Coordinating Administrative Departments in the State to enjoin on the Project authorities to utilise the funds placed at their disposal for the purpose for which they are intended and a close watch kept on the savings with a view to fixing up responsibility, (ii) 50% of the savings in

a particular area may be allowed to the project authority as an addition to their next year's budgetary allocations, if necessary, through a supplementary grant, and (iii) inter-sectoral adjustments to avoid savings.

(Para 8.23)

69. As development of backward areas has to be expedited, the Committee is of the view that a special allocation of Rs. 5 lakhs per year for each block in a project area for the Plan period should be available as a special additive. The Committee also appreciates that a new project approach cannot be imposed all over the country as one time operation. In order to enable the States to adjust their organisational planning and implementation structure to the new requirements the project approach will have to be phased for the five years of the Plan period. It is suggested that about 600 blocks may be taken up in the first year and the programme phased to absorb all the backward blocks by the fifth year of the Plan. The Committee will try to work out some of these details as is possible in the final report.

(Para 8.25)

70. The size of the investment in each of the Integrated Development Projects would need to be determined once the State and Central Sub-Plans for development of backward areas are ready. It has already been suggested that at least 10% of the sectoral outlay in each Department for the development of backward areas should be made available to the Project authorities for taking up programmes suited to the local needs. It has also been recommended that at least 25% of the budgetary outlay should be made available as Ways & Means Advance to each Project in order to avoid the likelihood of delay in routing the outlays through the State Governments and their merger with the general resource flow at the IDP level. While the Committee has not favoured the idea of a project authority being registered as a society, it is not opposed to the Project Authority being registered as a society for the limited purpose of receiving this Ways & Means Advance for a specified programme from the Central or State organisations in case it is found that it is not possible to provide such a Ways & Means Advance or to create a Nucleus Fund with project authorities because of the budgetary requirements.

(Para 8.27)

71. The size of the outlay for each of the IDPs should be decided after careful discussion of the total Sub-Plan outlay for the development of backward areas. Disaggregation should not follow a rough or ready or ad-hoc formula. The level of investment in each IDP should depend on the level and potential for development and requirement of the project, as determined by the project authorities.

72. A strong accounting cell would seem to be a must at the project level. This Cell should not only be responsible for primary account keeping but devise a reporting system which satisfies the sectoral authorities. It should also advise the project authorities on financial matters and help them in monitoring the flow of funds from different authorities and in regulating it below the project level.

(Para 8.29)

*People's participation and promotion of voluntary agencies*

73. The Task Force on 'Voluntary Participation in Rural Development' has spelt out the planning, fiscal and administrative frame for the involvement of voluntary agencies. It has also recommended that voluntary agencies can help in the following fields: (a) preparation of meaningful plans of rural development, particularly those where the families have to be involved in their own uplift; (b) voluntary agencies can take responsibility and implement a part or whole of an integrated development programme in the area. The Committee fully endorses the frame of action and fiscal and administrative support.

(Paras 9.2 and 9.3)

74. Too much emphasis on general academic consultancies for preparation of such integrated plans may be abandoned. Only bodies with field experience in performance of programmes may be inducted for this purpose.

(Para 9.4)

75. Experimentation in integrated rural planning involving families has been adopted in several parts of the country. Of these, the 'Uttar Meru' frame, further refined, appears to be best suited for our purpose.

(Para 9.5)

76. Voluntary agencies which can handle a comprehensive integrated area and familywise programme are few in the country and where available have to be nurtured.

(Para 9.6)

77. Taking the most obvious felt need of an area, a dedicated voluntary agency, given the lead, can gradually develop an all-round approach. This is a slow process and cannot be pushed, but the approach will bring out the various socio-economic problems to the forefront and activise the administration to find the correct remedies.

(Para 9.7)

78. Popular organisations are of two kinds, the statutory like Panchayati Raj and the voluntary and ad-hoc like a group of farmers doing joint cultivation for producing cash crops requiring high investment. The Asoka Mehta Committee on Panchayati Raj has analysed the strength and the weaknesses of the Panchayati Raj system and has come to the conclusion that if our objective is the improvement of weaker sections of the community, Panchayati Raj has to be supervised by both social audit and performance audit and the responsibility for the performance audit should be with the group selected from the weaker sections. The arguments of the Asoka Mehta Committee bring out the basic conflict between the "Haves" and the "Have-nots" in rural areas. Extending the argument, any voluntary organisation of "Haves" and "Have-nots" together for balanced development is going to be counter-productive. What may be attempted will be small homogenous peoples groups, on a functional basis, of weaker sections only, linked to well defined

simple functions like village industries, animal husbandry, etc.

(Para 9.8)

79. The best methodology would be to identify small homogenous groups of people and then weld them into a voluntary group. Steps should be taken by the block organisation to identify small homogenous groups whose needs and requirements as well as social position are same. Once these groups are identified, they should be encouraged and motivated to form their organisations and to elect from among themselves their group leaders.

(Paras 9.11 and 9.12)

80. Identification of group leaders by the people participating in the groups, whether elected or selected, should be left to the discretion of the members of the group. Arrangements would, however, have to be made to train them in properly equipped institution. On completion of their training, which, to start with, should not exceed one month or so, these group leaders would function as leaders of these groups and be responsible for highlighting their members' aspirations, needs and requirements.

(Para 9.13)

81. Group leaders should promote the formation of their Members' organisation(s)/association(s) at the 'block' level, where planning and implementation is to be actually done. These organisations, at the block level, should be properly constituted bodies as per the legal requirements. We would thus have at a sufficiently higher level a proper peoples organisation which will be responsible for planning and implementing programmes, formulated by it for all the families covered by the block.

(Para 9.14)

82. The standard system adopted in our country is to provide subsidies to individual beneficiaries, grant-in-aid for infrastructural development and financial support to voluntary organisations for supplementing their resources. There should be clear-cut guidelines for the grant of subsidies to individuals. These are outlined in para 9.19.

(Paras 9.16 & 9.19)

83. Grant-in-aid for infrastructural development has been an essential feature of the strategy of community development or rural welfare. By providing a part of the expenditure in the shape of grant-in-aid, the intention is to involve the community and give them a feeling of participation. Experience in such cases has not been very happy because of a variety of short-comings and drawbacks of the existing system. It must be accepted that infrastructural development and other developmental programme in a given area should be regarded by any enlightened Govt., committed to the welfare of masses as a must. Most problems arise because of the imposition of the programmes from above. Suggestions in this regard are incorporated in para 9.20.

(Para 9.20)

## 1. INTRODUCTION

The National Committee on the development of Backward Areas has to examine the validity of the various concepts of backwardness underlying the definitions in use for present policy purposes and to recommend the criteria by which the backward areas should be identified.

1.2 The National Committee has yet to take a final view about the criteria for complete identification of backward areas. The National Committee feels that a uni-dimensional concept of backwardness may not be appropriate in our context. The possibility of constructing indices reflecting levels of development, with all areas falling below a cut-off point being considered backward, may be of use in some circumstances. However, taking account of the availability and quality of data at the local level and the arbitrariness in the assignment of weights to different factors and in the determination of the cut-off point, the National Committee is of the view that an index based approach to the definition of backwardness and the identification of backward areas may not be workable satisfactorily during the Sixth Plan period.

1.3 The National Committee feels that backwardness can be identified in terms of the fundamental factors which inhibit development. Such a concept is implicit in the special programmes for hill areas, tribal areas, drought prone areas and desert areas. The inhibiting factor in each of these areas differs and, in this sense, each represents a different type of backwardness. The National Committee feels that chronically flood affected areas and coastal areas affected by salinity also represent types of backwardness which at present, are not covered by any special programme of the Central Government. With regard to chronically flood affected areas, the report of the National Commission on Floods has stated that "it appears that floods is an inhibiting factor in the process of agricultural growth of areas subject to frequent flooding" (para 4.1.12). As for coastal areas affected by salinity, these were recognised as areas in need of special treatment in the report of the National Commission on Agriculture (Vol. XIII para 59.1.1).

1.4 Generally speaking, the National Committee is tentatively of the view that the criteria for backwardness should be governed more by fundamental types of backwardness and has suggested that the following types of fundamental backwardness may be considered for determining backward areas :

- (i) Tribal areas (the definition is being slightly revised).
- (ii) Hill areas inclusive of Hill States.
- (iii) Drought prone areas.
- (iv) Hot and cold desert areas.
- (v) Chronically flood affected areas.
- (vi) Coastal areas affected by salinity.

1.5 An approximate indication of the proportion of area and population falling within the above types of fundamental backwardness is indicated overleaf.

*Areas and population in backward regions*

	Area Percentage to national total	Population Percentage to national total
1. Tribal areas	17.3	7.8
2. Hill areas (Inclusive of Hill States)	11.2	8.7
3. Desert & drought prone areas (excluding cold desert)	17.7	14.7
4. Chronically flood affected areas	n.a.	n.a.
5. Coastal areas affected by Salinity etc.	n.a.	n.a.

1.6 The above estimates are based on the present system of identification as well as the data presented in the Report of the National Commission on Agriculture. The estimates include figures for areas which fall entirely within one or the other category. The National Commission on Floods has estimated the area affected by floods at about 34 million hectares. However, most of this area may not be chronically flood affected. There is some overlap between the different categories since several areas suffer from more than one type of backwardness; but the proportions reported above will change probably only marginally if the recommendations of the National Committee on the criteria and manner of identification are accepted. These criteria are yet to be finalised. Broadly, about 50% of the total area of the country may come into these various types of backwardness.

1.7 The Committee further feels that the classification of backwardness will be unrealistic for any areas larger than that of a "block". Even a block will be too large but considering the administrative and statistical deficiencies, anything smaller than a block will be unworkable.

1.8 Determination of criteria for classification of backward areas is only one aspect. One of the important terms of reference of the National Committee is to recommend an appropriate strategy or strategies for effectively tackling the problem of backward areas with the primary objective of eradicating poverty and unemployment.

1.9 Growth has, for a long time, been taken as synonymous with growth of all. In the middle of the 60s of this century, doubts were being raised about this. In 1970, "Growth with Social Justice" was postulated as the objective of the Indian economy. Rural Development with a spread of the development to the poor as a requirement of balanced growth can be taken now as an established objective.

1.10 More than 80% of India's population live in Rural areas and again, 80% of this population is engaged in agriculture. Another characteristic is that a great majority of the rural population consist of marginal farmers and landless farm labourers who are mostly unskilled, often illiterate and are either partly employed on their farms or seasonally employed elsewhere when there is not much work to be done on the farms.

1.11 Any basic approach must necessarily include (i) development of agriculture, (2) appropriate structural reforms to ensure equitable access to land, water and other resources, (3) removal of unemployment and significant underemployment, (4) an appreciable raise in the standard of living of the rural poor, (5) provision of some of the basic needs of the rural people, like clean drinking water, adult literacy, elementary education, health care, rural roads, rural housing, (6) preferential access of public activities, services and investment capital, (7) promotion of rural institutions, (8) people's participation and (9) consequential changes in Governmental administrative and organisational structures and procedures including devices for monitoring and evaluations. Total development of backward areas is the obvious approach for attaining these goals. Again any programme or project for such an approach can be implemented in a unified manner provided the instrument of implementation, that is institutions and procedures and the approach are based on unified objectives.

1.12 Such an approach would require preparation of realistic plans for implementation, on the basis of full information about local needs, problems, capabilities and experiences. This information can best be supplied by the people themselves, as it is they alone who know their needs, what is possible, what can be done and what suits actual conditions best. Once the local people are involved in planning and decision making, implementation will be smoother and quicker, integration of activities and services would be better, and political support will be greater where the facilities and services created under governmental auspices are those identified by rural people themselves as more important and valuable.

1.13 In fact, people's participation should be regarded both as a means and an end, as it is the *sine quo non* of development, particularly at the local level. And people's participation must mean willing and voluntary participation. It may be spontaneous or induced, but certainly neither "coerced" nor "imposed" for this is not participation. Just as implementation is the touchstone for planning, people's participation may be looked upon as the touchstone of "unified" or "integrated" approach to rural development.

1.14. In short, any strategy or strategies, if they have to be successful, must necessarily spell out the concept and approach towards comprehensive rural development, decentralisation of planning, appropriate and efficient organisational set-up, methodology of Central and State Plan allocations, manpower requirements and personnel policies, financial and budgetary control.

1.15. The National Committee on the Development of Backward Areas constituted four Working Groups on Rural Development, Tribal Sub-Plan, Industrial Development and on Organisational Structures. The Working Group on Organisational Structures for the Development of Backward Areas consisted of senior and experienced administrators from various States as well as of the concerned development Ministries including those of the Commercial Banks. The notices of the meetings of the Working Groups were sent to the Members of the National Committee with the request that if they wanted to attend the meetings, they were welcome to do so. The composition and terms of reference are given in Appendix I.

1.16. The Working Group held twelve meetings (Appendix II) and sent a detailed questionnaire to the State Governments (Appendix III). The Working Group also set up a sub-group to go into the methodology of Central and State Plan allocations for the backward areas, budget provision and financial control. The terms of reference and composition of this sub-group are in Appendix V and the report of the sub-group is given in Appendix VI.

1.17. The National Committee also decided that a few members of the Committee should visit one or two development blocks in each State to assess the stage of development and administrative effectiveness in implementation of programmes at field level. A check list of points for discussion with the State Governments at the block level, District level and the focal points was sent to the State Governments (Appendix IV). The Chairman and some Members of the Committee have already visited and held discussions at the Block, District and State levels in the States of West Bengal, Orissa, Punjab, Haryana and Tamilnadu. The Chairman also visited Sunderbans area with a view to study the special organisational set-up created by the West Bengal Government there and held discussions with the concerned authorities in that State.

1.18. The subjects covered by this Working Group also came up for consideration in other Working Groups concerning their subjects. Discussions were also held with the National Institute of Rural Development about the block level planning. Organisational and administrative aspects were also discussed in the Seminar held at Nainital for the development of backward areas and at Coimbatore for the development of cottage, village and tiny sector industries in the backward areas.

1.19. The Working Group on Administrative and organisational Structures sent to the State Governments and concerned Ministries, including the Planning Commission, three basic papers for their views/reactions on :—

- (i) integrated structures of planning and implementation of a comprehensive integrated areas development programme in backward areas at Block, District and State levels;
- (ii) administrative structures, manpower requirements, delegation of powers, incentives and training of staff in backward areas, and

(iii) methodology of Central and State Plan allocations for the backward areas, budget provisions and financial control.

1.20. The response of the State Governments and the concerned Ministries has not been very encouraging. Only few States have responded. Their views are summarised in Appendix VIII.

1.21. The Working Group on Organisational Structures set up by the National Committee on the Development of Backward Areas had requested the State Governments to undertake an indepth study of the development administration in two Districts in each State—one a comparatively backward district and another a comparatively forward one. The indepth study was required in order to understand and evaluate the existing machinery and organisation for plan formulation and implementation of the development plans and programmes at the block and District levels. The Kerala State Planning Board constituted in October 1979 a Committee on Development Administration to go into the various aspects of development administration in the State on the lines suggested by the Working Group. Its report has since been received. A summary of its findings and observations is appended as Appendix IX.

1.22 On the basis of the data available, the Working Group has since finalised its recommendations on a broad strategy for the development of backward areas, planning process, organisational and administrative structures, methodology for Central and State Plan allocation, financial and budgetary control and submitted its report to the Chairman of the National Committee. The National Committee has also considered the report of the Working Group on organisational and administrative structures and had decided that, in view of the important nature of the subject covered by this report, it would be advisable to submit report on these aspects to the Planning Commission so that the Commission could consider the recommendation in the formulation of the Sixth Plan. This report of the National Committee is a result of this process.

1.23 The National Committee would like to make it clear that its report covers only the broad strategy for the development of backward areas and the operational steps for its implementation. Its report does not cover strategy/strategies for sectoral and special areas programmes, marketing infrastructural support, credit etc. which the National Committee would be covering in its main report.



## 2. CONCEPT AND APPROACH TOWARDS DEVELOPMENT OF BACKWARD AREAS

### *Objectives*

2.1 The National Committee has been asked to advise on the strategy for development of backward areas. For the various types of fundamental backwardness identified so far, as inhibitors of growth, it is clear that whilst trying to develop the potential of the area, one has also to consider how the people in the area can be brought into the process of growth. Whereas the potential of an area can be developed even without the participation of the people, of the area, as the history of colonisation in the world has shown, in a large country like India with its diverse cultural backgrounds and historical backgrounds, such an attempt to initiate growth without involvement of the people of the area, will ultimately be counter productive to the national interest. The development has to take place with the cooperation and active participation of the people of the area. Of late, the National Policy has given emphasis to removal of unemployment and under-employment and also removal of poverty within a reasonable time frame. This emphasis was needed because growth by itself does not lead to distribution of the fruits of growth to all sections of the people. A specific objective of 'Growth with Social Justice' had to be stated. At the same time it should not be forgotten that the initiator of 'Social Justice' is 'Growth'. Wherein forward areas people are poor because they do not have the capital base or the skill or the credit, in backward areas the people may have necessary capital but for various reasons may not have the capacity to utilise it for growth. The average land availability per thousand is generally higher in several types of backward areas or the potential for subsidiary occupations is much more in backward areas than in forward areas. The new technology improvement enables intensive development of most types of land for various kinds of comprehensive agriculture. Our objective, therefore, should be to initiate economic growth utilising the full potential of the area with the help and participation of the people of the area. As most of the backward areas are also less populous than the 'forward' areas, it will often be found that mere development of the area without involvement of any section of the people specifically will substantially solve the problem of removal of poverty. Our objective should be 'Economic Growth with Social Justice' with the help and participation of the people of the area.

### *Brief Review of the approach so far*

2.2 A strategy of development must be workable in the environment of the day. For implementation of the strategy the correct type of administrative and technical support which blends with the existing overall administrative structure is essential. Since freedom the country has experimented with various large scale programmes for some aspects of rural development.

A short resume of the types of development attempted and the structure of administration for the same will enable us to avoid the pitfalls and take advantage of the successes. This resume is by no means a synopsis of the programmes that has been attempted. Only the salient points that appear to be guides for future planning and help in preventing repetition of mistakes, have been pulled out.

2.3 The earliest programme which straddled the dawn of freedom was the 'Grow More Food Campaign' (1943—50). This was started as a response to the food shortage during the Second World War and continued after freedom as a necessity because the country lost some of the productive wheat and rice zones to the newly formed Pakistan. The emphasis was on increasing the cultivable area by reclaiming waste lands. Cash crop areas were to be put under cereals to tide over the food shortage. The agriculture departments were in charge of the programme and the Field Demonstrator was the field functionary supported by a hierarchy of agricultural experts. This campaign resulted in the reclamation of marginal lands unfit for permanent cultivation. Though the programme achieved its immediate goals, it left behind a large area of land made unfit for any further cultivation. Particularly in Rajasthan it led to rapid desertification of large areas and formation of sand drifts. Modern technology has identified pasture development, forestry and horticulture as best suited to such lands. The programme was probably the best possible response to the food shortage and foreign exchange shortage the country then faced, but we can learn by this for future development of the rural areas.

2.4 The C.D. programme was started in 1952 to involve the people in their own development. The emphasis was on the felt needs of the people which was to be met by people participating in the planning of programmes and by funding of the development expenses. Starting with ad-hoc nominated bodies at the block level—a block roughly equal to a population of one lakh—it developed into the elected structure of Panchayati Raj with an elected policy making body at the block level called the Panchayat Samiti. The most important aspect from our angle is that parallel to this development, the country introduced the National Extension Service. Community Development was treated as the concept and the administrative structure called the N.E.S. was to be the vehicle to carry out the policy of development. The service comprising of a village level worker at the cutting edge of the programme managing a population of roughly 10000, was supported at the higher level of the block by a team of technical experts with a Block Development Officer at their head. During the last thirty years this structure with all its vicissitudes is surviving as the only comprehensive developmental administration having close contact with the people.

The programme was mainly agricultural intensification of the traditional culture by tying up the inputs and laying stress on minor irrigation. The rest of the programme based on the felt want theory was an amenities programme which at the dawn of freedom the people felt as their most important felt need. People's contribution originally was to be in labour but it was soon seen that the labour was contributed by the labouring classes who could least afford to give free labour. Panchayati Raj was contemplated as the vehicle which can mobilise people's contribution through the method of developmental taxation. The problem of Panchayati Raj was that barring some noble exceptions, in many parts of the country, it rarely fulfilled these expectations. As a result, the programme survived entirely on government funds. Power to spend without any responsibility for finding the funds, led to the deterioration of the system. When direct funding by Government tapered off, the programme languished. Though agriculture was the main developmental programme it cannot be said that the approach yielded results.

2.5 The Intensive Agricultural District Programme was started in 1960 as an attempt to use the Block administration more purposefully to achieve agricultural development. The package approach dealing with individual families was introduced for the first time in development of agriculture. The VLW prepared a programme of cultivation for every farmer's household assessing the seed, fertiliser and pesticide required under the then technical advice with a view to ensure that the farmer followed the advice. Inputs were provided on priority. A Project Officer with coordinating and controlling powers was introduced at the district headquarters. The districts were to be chosen on the basis of assumed water supply, developed input supply organisation and generally free from natural disasters. Unfortunately, the criteria were not observed in the actual selection e.g. Pali which is a desert area was selected. Thus results were patchy. But the programme established that where the criteria were observed, fertiliser use went up rapidly and the yields also shot up. Ludhiana established the possibility of a wheat revolution. The package approach based on a family-wise handling was established as the right way to go about agricultural development. As a result, the country invested a slightly diluted approach in a large number of districts in the country in the Intensive Agricultural Area Programme.

2.6 The major effort to introduce the new High yielding Varieties (HYVs) coincided with the formulation of the Fourth Five Year Plan's agricultural strategy in 1965. The intention was to select areas with "assured rainfall and irrigation for concentrated application of a package of inputs based on improved varieties of seed responsive to heavy dose of fertilisers, and on modern inputs". Following the production of certified seeds and their delivery to cultivators, large areas of the country underwent a spectacular increase in adoption in the first five years: from 1.9 million hectares in 1966-67 to 15 million hectares in 1970-71. By 1971-72, the new wheat varieties covered 30 per cent of the total wheat growing area and new rice varieties 19 per cent, increasing wheat production from 10.4 to 23.8 million tons, and rice production

from 32.6 to 42.2 million tons, producing a record combined foodgrain output of 108 million tons in 1971. Since then the spread in acreage has slowed down considerably, the better endowed and irrigated regions having been covered.

2.7 Among the unsettling consequences of the Green Revolution have been widening income disparities, limited participation of small farmers, growing land concentration and labour displacing mechanisation in some areas and the paradox of large foodgrain surpluses in a context of widespread deficiency of calories consumption levels.

2.8 To redress such problems, Government started two schemes in the Fourth Plan designated as the "Small Farmers Development Agency" and Marginal Farmers and landless Labourers Agency, to meet the problem of reaching development programmes to the rural poor who were, by and large, not benefited from the general developmental programmes. The SFDA was to concentrate on "potentially viable" small farmer households with accent on improving their crop husbandry so as to reach viability, the MFAL was aimed at those below this group, who would need to rely upon animal husbandry and other activities supplemented by wage employment. These agencies were set up as registered societies at the District level and were expected to identify the beneficiary groups, draw up suitable programmes of development, have them implemented through the existing organisations and developmental agencies in the field. In the Fifth Plan, these two agencies were combined into one to cater to the composite group of small and marginal farmers and agricultural labourers. Though these schemes were beneficiary oriented, the programmes were expected to be drawn up in the context of the development potential of the area. However, in implementation, the area development concept was lost and the scheme tended to become isolated beneficiary programmes relying on distribution of subsidies.

2.9 The Drought Prone Areas Programme started as a Plan Programme to create suitable capital assets out of the expenditure incurred on creating employment for labour during a drought in Drought Prone Areas. Later, the concept of helping the poorer families as in the SFDA programme was added to the capital works programme. Meanwhile, the developments in dry farming technology led to the concept of watershed management approach to get best value out of the moisture precipitation and the nature of the terrain. Here, again, the package approach to a type of environment was found to be the best approach. The development was placed under an authority which had the powers to coordinate and control the various disciplines involved in the area approach.

2.10 The only programme which is anyway near the total approach is the new approach in the tribal development, evolved in the beginning of the Fifth Plan. Under this concept, the entire approach has been kept flexible and envisages a total development effort in the tribal areas. This again caters to a certain section of the population in the tribal areas which

are no doubt an important part of the backward areas viz. the tribals. The programme also aimed at a total development; but it has not yet been able to make any perceptible impact in the areas primarily because the integration of sectoral programmes at the ITDP level have not been fully achieved so far. There is also considerable lag in the delegation of administrative and financial powers to the project authorities in keeping with the responsibilities assigned to them.

2.11 Recently a new programme of integrated Rural Development was initiated during the year 1978-79. This programme, however, is basically a beneficiary-oriented programme although investment for the development of infrastructure which is directly related for achieving better results from the beneficiary-oriented schemes also forms an important component of the programme. Although the IRD is supposed to be integrated having both the area development approach and the beneficiary oriented approach in fact, however, it only meant an extension of the SFDA programme to the non-SFDA areas with only minor additions in making certain schemes eligible for assistance in the secondary and tertiary sectors. The other major advantage under the programme has been the inclusion of non-agricultural labourers who were not hitherto covered under any of the existing programmes as beneficiaries under the IRD programme. However, the non-agricultural labourers have hardly been assisted although a provision has been made to permit tertiary sector schemes like rickshaw pulling etc. The fact remains that the programme in its present form is essentially a beneficiary oriented programme meant for assisting the small and marginal farmers, landless agricultural labourers, rural artisans etc. The programme does not envisage a total approach either based on the needs and capacity of the people involved or endowment of the areas, nor does it provide for removal of the major bottlenecks, namely, the administrative and procedural bottlenecks.

#### *Concept*

2.12 Considering the problems and the differing conditions, any approach towards the development of backward areas must aim at realising their full potential with special emphasis in the least advantaged. The aim, as stated earlier, should be to improve the quality of life of the people in the backward areas. Policies and programmes could be conceptualised and designed keeping this overall concept in view and administrative social and economic institutions must be adapted and adjusted towards this end. Briefly speaking the concept of planning and development should aim at integrated area development programme with special emphasis on the least advantaged.

3.13 The emphasis on the needs of the least advantaged groups should involve the following :—

- (a) improvement of productivity and earning capacity of the poor in their existing activity.
- (b) promotion of new activities to absorb the surplus labour time of the poor households;
- (c) training the traditional workers in improved technology and methods which can make

his efforts more remunerative. Much of this approach will be based on the self-employment sector.

- (d) training, particularly of younger household members, to undertake new activities.

The beneficiary oriented approach has to be fitted in as part of the area development plan for the infrastructure and development of productive activities. There is in fact no conflict between a beneficiary oriented approach and an area oriented approach and if we want Growth with Social Justice the two have to go hand in hand. An area cannot develop unless the people in it develop and conversely the people cannot develop unless the area in which they live develops.

#### *Contents of the Programmes*

2.14 The actual contents of the programme would depend upon the conditions prevailing in the areas concerned but by and large, subject to their suitability following activities would be appropriate for achieving the goals in view :

- (i) Agriculture and allied activities
- (ii) Irrigation;
- (iii) Soil conservation and water management;
- (iv) Animal husbandry and poultry;
- (v) Fisheries;
- (vi) Forestry;
- (vii) Processing of agricultural produce;
- (viii) Organising input supply, credit and marketing;
- (ix) Village, Cottage, tiny and small industries;
- (x) Training of local youth and upgrading of skill of local population;
- (xi) Development infrastructure; and
- (xii) Social Services—
  - (a) Safe drinking water supply
  - (b) health (including family planning and nutrition)
  - (c) education
  - (d) sanitation
  - (e) housing
  - (f) local transport
  - (g) social welfare

2.15 Whilst the comprehensive frame will be the ultimate objective in Backward Areas, the spread and the expectations will have to be adjusted to :

- (a) The present level of absorbable capacity of the population of new techniques and new skills necessary and available for greater productivity;

- (b) The capacity of the administration and the institutions to cover the field in the comprehensive manner required in backward areas keeping in view the greater necessity of administrative and institutional intervention because of the highly exploitative nature of present private sector structures;
- (c) Need to build from present bases of capital availability in land, money and skills to the new potential the pace having to be maintained at the level of the capacity for education, training and creation of institutions in the new structure;
- (d) Whilst emphasising need for education, pay greater attention to functional literacy on one hand and intensive use of the educated youth in local development structure and opportunities;

- (e) A focal point approach being the best under the conditions of both administrative and institutional availability, the pace at which the message can be spread from the Focal Point outwards.

Under the integrated area development approach, it would have to be borne in mind that the programme would have to be area and beneficiary oriented. For beneficiary-oriented programmes 'family' would be regarded as the basic human unit for planning and development.

2.16 It is recommended that the block should be taken as a "unit" for planning and development; since the existing structure of development administration and, in many cases, Panchayati Raj is organised with the block as the model level. This is also in keeping with the present thinking of the National Committee for the Development of Backward Areas that "Block" should be the unit for purpose of identification of backward areas.



### 3. PLANNING PROCESSES AND DECENTRALISATION OF PLANNING

#### *Focus*

3.1 In the earlier Chapter, the concept and approach towards development of backward areas has been discussed. Broadly speaking, the focus of the approach is at the local, village and community level. The "block" has been recommended as the unit for planning and development. Integrated areas development programmes are envisaged to be implemented through a project approach, on the integrated tribal development project (ITDP) pattern, covering 2 to 3 blocks, depending on the local conditions and situation.

3.2 While the approach is focussed at the local level, at the same time it is not possible to formulate all plans and programmes, even at the project level, leave apart the individual or the village level. Integrated area development refers to a method of action, implying close coordination of policy and of action at all levels. While the ultimate aim is to improve the social and economic conditions of the individuals, family being the basic unit for development, there are large number of programmes which can be taken up only on an area basis. Modern agriculture, water control, land shaping, pest control, rural communications, social services and development infrastructure have to be area based. Then, there are certain types of development schemes like power generation and major irrigation, which have to be planned necessarily at the State level or even at the national level. Plans and programmes have to be both individual and area-oriented.

3.3 It is easy to state what is desirable but the crucial issue is to work out a methodology for translating the concept into workable administrative decision. Planning is just the beginning.

3.4 Integrated area development programmes involve an exceptionally high degree of administrative skill, in both sectoral planning and its relation to general economic planning and in inter departmental coordination. Such a set up has to be for a sufficiently large area; it would be impossible to find either the personnel or the resources for providing such a structure for too small an area.

#### *Micro-Planning process*

3.5 Micro planning in the sense of planning for comprehensive development of an area taking into account the local variables has not yet been tried on a large scale. The Tribal Sub-Plan and the Integrated Tribal Development Projects can be said to be the first massive effort of its kind with a clearly defined objective accepted as a policy frame. There were also some isolated attempts for preparation of comprehensive plans with the help of expert organisations for selected areas. Consultancy services have also been pressed for

preparation of these schemes. These plans, however, suffered from some inherent limitations, being prepared by outside organisations on contract basis. In their case preparation of plan itself became the main objective. The preparation of plans is generally started with a quick resources survey from whatever data is available locally. Some ad-hoc surveys are also undertaken whose scope is always defined keeping in view the constraint of time and other resources. The constraints under which the plans are prepared are accepted in the beginning but thereafter when plans are built on whatever information is forthcoming, the limitations are ignored and they are deemed to be final blue prints.

3.6 Another inherent limitation of such planning exercise has been the inadequate information-base about what the various development agencies are doing or are planning to do in each area. Such an information gap is a corollary of our present planning process where information does not get generated for each small geographical sub-region and plans at the State level can change in respect to the areas of their operation even with the slightest provocation.

3.7 Another important constraint is the hypothetical nature of financial parameters. Expert bodies build plans on the basis of resources inventory and what they consider as desirable for the region. A number of schemes are put together which, if implemented in full, are expected to yield certain additional income to the area and build up basic infrastructure, both social and economic. Since the financial parameters may have no relationship with the reality, the delicate balance which may have been worked out between the sectoral outlays gets completely disrupted. Certain schemes particularly building up of physical infrastructure can be implemented more speedily than those for building up system of assisting people. Thus while physical infrastructure gets build up, small programmes needing personal attention of the individual functionary particularly those relating to the weaker sections get neglected. The initial success-failure matrix of the programme profile further accentuates the situation, causing easily implementable programmes gaining ground to the maximum extent possible without even a proportionate return for investment.

3.8 The planning processes for the development of backward areas have, therefore, to be viewed in this context. It is not as if we are starting with a clean slate nor can we ignore the hard reality that, whatever be the ideal solution, the fact remains that, as things stand today, most of the existing outlays are already committed for ongoing programmes and as such there would be a rather small percentage of resources available for taking up of new programmes. Nevertheless, the fact remains that if a conscious effort

is made, it should be possible within the next 3 to 5 years to reverse the present planning process and to ensure that instead of planning starting from the top as is the case at present, it travels upwards from below.

3.9 Block as the unit of planning has been accepted by the Government. It is sufficiently small in terms of area and population to enable intimate contact and understanding between the planners, those responsible for implementation of the plan and the people. Block level planning has to be viewed not as an isolated exercise but as a link in all levels from a cluster of villages below the block level to the project, district and State level.

#### *Block Level Planning*

3.10 Important steps for preparing a Block Plan would be:—

- (i) Ascertain specifically physical and human resources potential;
- (ii) identify constraints inhibiting socio-economic and technological growth;
- (iii) Understand the felt needs of the people and factors inhibiting the uplift of the Block, and in particular the weaker sections;
- (iv) expand the area of people's participation in the formulation and implementation of plans;
- (v) production programmes suited to the capacity and needs of areas in the light of the resource potential;
- (vi) manpower planning and skill development in relation to the production programmes;
- (vii) programmes for the institutional support.

3.11 To achieve the above objectives, the following will be necessary :

- (a) Identification of priorities for development
- (b) Resources inventory and data collection

(Note : A theoretical exercise in Resources Inventory has no meaning in Backward areas. The resources which can be immediately organised and operated for development, should first be enumerated, leaving the frills for gradual assessment and development as the capacity of the people to absorb and the capacity of the administration and institutions to keep pace, increases. The "Focal Point" concept enables a phased assessment of Resources starting from Focal point outward as the capacity to absorb the message develops in the people. This aspect is important to avoid unnecessary infructuous labour).

- (c) Formulation of programmes for development and the establishment of their spatial and temporal linkage with integrated framework.

(Note : The infrastructure development is best adjusted to the requirements of the Focal Point. This use will give a balanced frame for the infrastructure development in the Block).

- (d) Identifying the families below the poverty line with a view to assist them to raise their earning capacity.

(Note : In Backward Areas as the bulk of the population are bound to be in the poor sector because of exploitation and lack of skills, it may be desirable to follow the method of assessing all families for capacity and skills and expectations and then select the beneficiaries from the bottom upwards on the Antyodaya principle. This method has been tried in "Somangalam" and "Uttramerur" in Tamilnadu with great success. It should also not be forgotten that in Backward Areas our objective is also all round development and as such all families and all resources will have to be systematically developed keeping in view no doubt the principle of 'Social Justice'.

- (e) Introduction of a household plan card for each family to be prepared in consultation with the head of the household taking into account their resources, skill and manpower. The household plan card should serve to obtain general information, details of the land, its use, animal stock position, investment needed, skill of the industrial worker, employment potential, employment condition of the landless labourers, details of the annual income at the initial time of the project—the Bench Mark.

- (f) Assessment of requirements of financial resources and their availability from various sources—District budget, banking institutions and private sector.

- (g) Monitoring and concurrent evaluation of development plans with particular emphasis on the improvement in the income and living conditions of the individual household for which a suitable table would be devised which would become a sort of permanent record for the individual family.

#### *District Level Plans*

3.12 The Block level planning would require co-ordination at the District level in order to work out, a proper programme and to secure the best deployment of resources, particularly in respect of such schemes and programmes which cut across the boundaries of more than one Block. It is to be ensured that the Block plan does not become alone and truncated exercise and must be closely coordinated with the Planning at the District and State levels. this would be all the more important in respect of such items like expansion of infrastructure, provision of essential inputs, administrative interaction and

adaptation. In order to facilitate such interaction and integration, the District would prepare a sort of perspective and indicative Plan for all the backward Blocks falling within the District, by identifying compact homogeneous backward areas covering more than one block within the District and constitute a Project or projects comprising two to three Blocks with similar problems. Planning coordination would also be necessary to eliminate contradiction, inconsistencies, discrepancies and overlaps among the schemes worked out by the different Departments and to render the Block level schemes mutually compatible and supportive in order to increase their overall development impact.

3.13 While preparing District Plans, it would be ensured that District level elected representatives are fully associated and so also the selected representatives of poor and disadvantaged people in the District in finding the programmes and their implementation. The methodology for associating the elected representatives, representatives of the poor and disadvantaged and other concerned non-governmental and local governmental bodies in the District is being discussed in detail in a separate section.

#### *State Level Plans*

3.14 The District Plans prepared for all the District where backward areas lie would then be forwarded to the State Governments where they would be coordinated and given the shape of a "Sub-Plan" for the development of backward areas.

3.15 In order to ensure that necessary direction and guidance on major policy issues connected with the development of backward areas, particularly in block level planning and implementation, is available, there should be a high powered steering Committee at the State level under the Chairmanship of the Chief Minister and consisting of the Ministers for the key sectors in rural development such as agriculture, industry, health, education, irrigation etc. as Members. A senior officer of the rank of Commissioner could be Secretary of this Steering Committee. In particular, the State level department responsible for planning and development of the backward areas would be responsible for the following functions :—

- (a) Issue of guidelines
- (b) Allocations of material and financial resources
- (c) Provision for monitoring of performance and benefits
- (d) Corrective reorientation
- (e) Training

#### *Planning Machinery*

3.16 The Dantwalla Committee appointed by the Planning Commission in 1977 has gone into this question in great detail and made some valuable recommendations. As stated by it, there are four district agencies which could be thought of for being entrusted with the responsibility for preparing the block level Plan, namely, (i) District Secretariat, (ii)

elected representatives of the people and their institutions like the Zila Parishad, (iii) Voluntary agencies and (iv) professional institutes with specialised competence in planning techniques.

3.17 The Dantwalla Committee has stated the important functions which are pertinent at the Block and District level, for implementing policies of decentralised planning. These are reproduced below:

- (i) Resource inventory and data collection including analysis of the prevailing levels of development, potential for further development and identification of constraints in development;
- (ii) Identification of priorities and selection of catalytic programme;
- (iii) Formulation of programmes/projects/schemes for development and the establishment of their spatial and temporal linkages within an integrated framework;
- (iv) Devising a plan for fuller utilisation of manpower resources; in other words a plan for augmenting employment;
- (v) Assessment of availability of financial resources from various sources—district budget, banking system, private sector and mobilising the same, and
- (vi) Monitoring and concurrent evaluation or parallel audit of development plans and their modification from time to time in the light of experience.

3.18 The existing planning machinery available at the District and Block levels is neither adequate to undertake all these technical planning functions nor it possesses the necessary expertise and staff strength. The ideal solution would no doubt be to build the necessary planning capabilities both at the District and Block levels. However, as pointed out by the Dantwalla Committee, given the existing shortages of technical planning personnel and the cost of providing these it would not be practical to think of setting up technical teams for preparation of resource inventories, data analysis, programme/project formulation and appraisal or inter-sectoral and spatial integration at the Block level. That Committee has, therefore, recommended that, at the present stage of development, it would be better to pool together the available planning skills at the District level instead of scattering the scarce resources in several blocks. If the District Planning Cell could be strengthened suitably, it should be capable of taking care of Block Level Planning also. That Committee has rightly pointed out that, apart from ensuring the optimum deployment of personnel resources available for area planning, such an approach would also enable the Planning Team to take a proper perspective of resource potential and constraints and ensure better coordination and integration of the Block plans with the District Plans. In this way, the Block Plan will be harmonised with the District Plan. The Planning Team located in the District would essentially be a peripatetic Team which would move down to the selected blocks and prepare a Block

level plan in association with the block staff and other concerned persons at the Block level. The Dantwalla Committee has, therefore, recommended creation of properly equipped District Cells which would function under a Chief Planning Officer and consist of an Economist/Statistician, Cartographer, Agronomist, Engineer, Industry Officer and Credit Planning Officer. In addition to the above core staff, specialists may have to be engaged according to the needs of the areas or the programmes.

3.19 The Committee has given careful consideration to this complex problem. While it is in broad agreement with the Dantwalla Committee that there has to be a District Planning Cell, properly equipped to coordinate and undertake the planning exercise in the District as a whole, (the Group) it feels this alone would not be enough. Household surveys are an integral part of a total development approach. It is not possible for village functionaries available at the Block level to undertake this task. The experiment tried by the Tamil Nadu Government in preparing Block level to undertake this task. The experiment Somangalam and Uttramerur offer a good practical approach to this problem. The Tamil Nadu Government entrusted this work to one of the educational institutions and some Degree College Students were drafted for undertaking household surveys on the basis of payment of a token honorarium per family. Such an approach has not only resulted in reduction of the cost but, on the other hand, has enabled the villagers to come forward to give all the information required when they knew that the persons collecting the information were not Government servants. The Committee would strongly recommend this approach for collecting the basic data from the household surveys, which would constitute a core element for drawing up the Block level plans.

3.20 Taking into consideration the Dantwalla Committee recommendations, the experience in Somangalam and Uttramerur areas in Tamil Nadu and the studies initiated by the National Institute of Rural Development, Hyderabad, the Committee would recommend :—

*Block level* : Block level Plans and surveys should be initially carried out by a Block Level Planning Team consisting of the Block Development Officer and other technical and related staff available in the Block, assisted by surveyors, recruited on temporary basis to collect information about the household. It is estimated that these surveyors should not cost more than Rs. 5/- or so per family. In addition, it would recommend that an Additional Block Development Officer should be provided at the Block level to relieve the Block Development Officer of the non-developmental activities and other routine work. The Block Development Officer should function purely as a development and project coordinator for the Block. In addition, depending on the needs, three area organisers selected as far as possible from the local people should be appointed on payment of a suitable honorarium. The Block Staff would also be augmented with secretarial assistance like Accountants, Typists and Tabulators. Some transport facilities like scooters, motor cycles and cycles would have to be provided. Care

should be taken to see that no additional jeeps are provided considering the present petrol shortage.

*District level* : A district planning cell will have to be created for dealing with the backward areas in the district. The Dantwalla Committee has recommended uniformly a district planning cell for all districts as a necessary support to decentralised planning. Their recommendation summarised in paragraph 3.18 ante suggests a Chief Planning Officer helped by an Economist/Statistician, Cartographer, Agronomist, Engineer, Industry Officer and Credit Planning Officer. The Committee has noted that recently the Government of India have issued instructions in regard to the strengthening of the district level agencies in SFDA, IRD, DPAP etc. In every district where one of these district level agencies has already been created, is to be provided an Economist/Statistician, an Industry Officer and a Credit Planning Officer who will work under the Project Officer at the district level, under the agency. It has also been agreed that the agency concerned will coordinate the activities of the various departments functioning in the field in the district and this cell has also been entrusted with the responsibility for the formulation of block plans in the district. Thus, already the concept of a district level cell for planning has been built into our developmental system. It can, therefore, be expected and the Committee would support such a move that at least this level of technical support to a Chief planning Officer at the district level will be automatically provided in all the districts of all the States. Taking this as given, the Committee observes that for proper planning of all aspects of Integrated Rural Development, certainly much greater expertise than an Agronomist, an Engineer and a Cartographer suggested by the Dantwalla Committee is necessary. These three experts also will not have full time work in the planning cell. The Committee, therefore, recommends that all other experts required for dealing with the details of the various parts of the Integrated Rural Development planning will have to be found by part-time support by the top experts in those fields in the district. For the present, a district level planning cell with a Chief Executive Officer who in districts having district level agencies like SFDA, IRD, DPAP, etc. will be the District Project Officer and in other districts where there are backward area projects, a competent planning officer should be the minimum extra staff for the cell. The Committee notes with approval the move initiated by the Government of India to bring a unified approach for district level planning whether in forward or backward blocks in the district under a competent planning organisation. Naturally, the Government of India have taken up those sectors where they are giving funds and they have a right to intervene; but the Committee would recommend that this pattern may be not only for planning but also for monitoring, implementation and coordinating unit at the district level for all development. This will then fit in with the picture of an efficient organisation for planning, monitoring, implementation and coordination for developing the backward areas this report is aiming at. Research Assistants as per requirements and secretarial assistance must be provided to the Cell. It would also strongly commend the use of Universities and other research

institutes in the area, if any, for helping the District Planning Cell in undertaking surveys and analysis of information collected.

*State level* : The existing technical cell which have already grown during the Fifth Plan and have been set up with the assistance of Central Schemes for strengthening the planning machinery at State level should provide the necessary technical and secretarial support. In the case of those States which have not so far fully set up such Cells, steps have to be taken to ensure that these are set up immediately. At the State Level there should be a separate unit in the planning board (or whichever agency is responsible for plan formulation) which would monitor and analyse variations in levels of development in different regions in the State and act as the nodal point for integration of backward areas plans in the State Plans.

*Collection of data and household surveys for preparation of Block Level Plans*

3.21 As briefly mentioned earlier, data would have to be collected with the following ends in view :—

- (a) ascertain specifically physical and human resources potential;
- (b) household surveys :—
  - (i) to identify families below the poverty line;
  - (ii) to classify the families in terms of annual per capita income groups;
  - (iii) to formulate production programmes for each family in consultation with the head of the household with a view to increase his income;
  - (iv) to identify schemes for which the family has a natural preference so that the individual family would have the motivation and incentive to derive genuine benefits;
  - (v) to identify the technical and infrastructure needs of each family with a view to implement schemes at (iv) above;
- (c) identify socio-economic constraints inhibiting technical and technological growth;
- (d) manpower planning and skill development in relation to the production programmes;
- (e) programmes for the provision of basic minimum needs;
- (f) programmes for institutional support;
- (g) establishment of a spatial and temporal linkages of the programmes with the area and infrastructure framework;

(h) assessment of requirements of financial resources and their availability from various sources—government, credit institutions and private sector;

- (i) monitoring and concurrent evaluation of development plans, with particular emphasis on the improvement in the income and living conditions of the individual households for which a suitable table would be devised which would become a sort of permanent record for the individual family;
- (j) introduction of a household plan card for each family to be prepared in consultation with the head of the household. This card should serve to obtain general information, details of the land, its use, animal stock position, investment needed, skill of the persons in the household, employment potential, employment conditions of the landless labourer, details of the annual income at the initial time;

3.22 A word of caution about the preparation of the resource inventory. A theoretical exercise in resource inventory has no meaning in rural areas. Information in respect of only such resources is required to be compiled as are relevant for exploitation at the block level. It should indicate physical and biological resources, agriculture and land use, soil conditions, land utilisation, area under crops, irrigation, levels and use of agricultural inputs, activities allied to agriculture such as animal husbandry, dairying, fisheries, sericulture, forestry, etc. It should also indicate extent of industrialisation and scope for development of cottage, tiny and small scale industries.

3.23 The resource inventory should not be a mere aggregation of data pertaining to various sectors of the blocks' economy. It should lead to certain specific action programmes, rather than merely stating possibilities which may or may not be germane to the block level planning at all. To be specific, the resource inventory should really concentrate on identifying potentialities which can be best exploited at the block level.

3.24 It should also contain a detailed review of the on-going programmes being implemented in each sector, particularly giving an analysis of the achievements in each sector, and identifying the drawbacks and limitations of these on-going programmes.

*Development Plans*

3.25 Once the household surveys have been conducted and all the relevant data is available, the stage is set for formulation of action-oriented programmes. Each Block Plan must necessarily have a time horizon. In this regard it is possible to argue in favour of different time horizons for different Blocks, even for the same programmes. The balance of advantage would, however, lie in preparing a plan for a block where the terminal year coincides with terminal year of the Plans at the national level. The necessary

linkage will be established by the preparation of a perspective and indicative Plan for each Block or Project.

3.26 In recommending the above exercise and the strategy for decentralisation of planning, the Committee is quite aware of the fact that the above exercise cannot be undertaken overnight or within a short period of a few months. It would take time. In

the meantime, the planning process at the State and the National levels cannot wait. There is, therefore, going to be a time-lag, before the plans prepared, based on the needs and capacity of the people for whose development they are intended, can be ready for incorporation in the District and State Plans. The Committee, however, hopes that, over a period of two-three years, it should be possible to adjust and adapt the old programmes to the new concept.



#### 4. METHODOLOGY OF CENTRAL AND STATE PLAN ALLOCATIONS

The concept and approach for development of backward areas described earlier broadly envisages :

- (i) Integrated area development programme,
- (ii) Development programmes to be both beneficiary and area oriented,
- (iii) Decentralisation of planning at different levels with effective participation of people,
- (iv) Programmes to be implemented on the basis of an integrated development project (IDP) consisting of two or three blocks, the actual size being decided by the State,
- (v) "Block" to be the unit for planning and development,
- (vi) Family to be the basic unit for planning and development, and
- (vii) Priority to be accorded to the most disadvantaged, particularly tribal and scheduled castes.

4.2 In other words, the new approach attempts to view the problem of development of backward areas in its totality, in contrast to the sectoral approach which has been adopted so far, except in the case of tribal development initiated during the Fifth Plan. In order to ensure that necessary resources are provided both by the Central and State Governments to achieve the objective of integrated rural development of backward areas, it is essential to earmark the resources, out of the planned resources, separately for the development of the backward areas. If this is not done, there is every danger of backward area development programmes languishing for lack of adequate funds, while the major slice is eaten away by the better-off areas.

4.3 Discussions with some of the States and in the field have thrown up two essential elements, namely, non-availability of adequate personnel, particularly in the inaccessible and difficult backward areas, which has resulted in a number of schemes remaining unimplemented and thereby throwing up large savings and secondly the desire on the part of the Heads of Departments to spend the budgeted outlays in areas where it is easier to spend them, without any consideration or reference to the purpose for which they were originally allocated. This has invariably resulted in the outlays earmarked for weaker sections of the population getting diverted to advanced areas where because of the very nature of the administrative infrastructure and other facilities it is easier and quicker to spend them.

4.4 Under the integrated tribal development project approach, an attempt has been made to rectify some of the defects by specifying that investment for tribal sub-plan areas must be quantified at the State level, the total sub-plan outlay in each sector should first be divided into divisible and non-divisible portions and the level of investment for tribal sub-plan areas decided on the basis of the population, area and the level of development in the concerned sector. It was, therefore, accepted that the total investment in the tribal area should have a reasonable relationship with the total size of the State Plan. Despite all these instructions, it was noted that the investment pattern in different sectors was heavily loaded in favour of the advanced areas. Instructions had, therefore, to be issued stipulating that the size of the investment in tribal areas must be decided while working out the total Plan size of the State itself. Thus, instead of working out the figure in respect of each sector and deciding the divisible outlay, which will finally determine the size of the investment in the tribal areas, the process was reversed and in a way the level of investment in the tribal area was expected to be decided keeping in view the parameters like population and areas, level of backwardness and the size of the State Plan. It was further stipulated that the rate of growth for tribal areas had to be so computed that they are able to reach the level of development of the rest of the State within a reasonable time frame. Though this policy had been clearly spelt out, in practice it had a qualified success in view of large proportion of the State Plan outlays already being tied up with big programmes in power and irrigation. Nevertheless there was considerable improvement compared to the earlier Plans.

4.5 The Committee has given considerable thought as to how to ensure that the backward areas get a due share in the Central and State Plan outlays for their development. It also appointed a Sub-Group of the Working Group consisting of experienced administrators and had the benefit of its advice. The Committee feels that it is not enough merely to lay down that adequate funds must be made available for the development of backward areas. Governmental approaches and reflexes should be such as to convince the people that the Government of the day is really intent upon improving their lot and the backward areas would get their due share out of the national kitty and it is not their better-off brothers who would prosper at their cost. The Committee, therefore, strongly recommends that the concept of a Sub-Plan for the development of backward areas should be introduced both at the national level and at the state level.

4.6 Depending on the criteria for classification of areas as backward, as accepted by the Government,

there could be the following situations so far as a State as a whole is concerned, namely :

- (i) The entire State like Arunachal Pradesh being declared as backward;
- (ii) More than 50% of an area in the State being declared as backward;
- (iii) Less than 50% of the area in the State being declared as backward.

So far as States like Arunachal Pradesh are concerned, the whole of which is declared as "backward" obviously the entire Plan would constitute the Plan for the development of the backward areas and there would be no need to have a separate "Sub-Plan", as envisaged in the preceding paragraph. Even here, however, the allocation of Plan resources would have to be so determined that adequate weightage is given to the weakest sections for a speedier and appropriate development of the backward areas. Even in such States where only a part of the area is declared as "backward", weightage would have to be provided for the more backward areas to ensure that the backward areas reach quickly the standard of, relatively speaking, more forward areas. The succeeding paragraphs discuss the entire methodology of Central and State Plan allocations.

#### *Posting of Development Investment*

4.7 For comprehensive development of an area, it is necessary that the total investment for development from all sources is brought within the purview of the planning and implementation authority for that area. The main sources of investment would be (i) the State Plan, (ii) the Central Plan (funds of centrally sponsored schemes), (iii) Central additive, if any, (iv) Funds of the local authorities if any and (v) institutional finance.

4.8 The Central additive envisaged here will be analogous to special central assistance for the tribal sub-plan. The role of Central additive would be to supplement the allocations available for the development of backward areas and to fill up gaps for which no resources are readily available.

4.9 Investments available from local authorities can be sizeable and they should not be left out in any comprehensive planning, for not only they might be sizeable but even otherwise they would be very significant in the involvement that would be implied. The regulated markets are an instance in point, which can generate substantial resources for the development of the area in which the regulated markets are located.

4.10 The investment of the Central and State Governments is generally fragmented into a large number of sectoral programmes operated by numerous departments/organisations. It will be necessary to ensure optimal utilisation of the total investment available in the context of the requirements of each project area.

#### *Pooling of Resources in the State Plan*

4.11 It would be necessary to work out the methodology for pooling of resources. In the first instance, the order of investment of the entire backward area in the State will have to be determined. The relative proportion of the total outlay flowing to the backward and the non-backward areas should be related to the population and the area.

4.12 As regards the methodology, it is recommended that the total State Plan outlay, including Central assistance available under the Gaangil and LATP formulae which forms part of the State Plan, would first be divided into divisible and non-divisible portions. Care will have to be taken to ensure that no attempt is made to inflate the non-divisible pool and only such items, as are really not divisible, should be included in the non-divisible pool. To illustrate major and medium irrigation projects, power projects and similar such projects would be in the non-divisible pool, but all roads and bridges need not necessarily be included in the non-divisible pool.

4.13 Even in regard to major and medium irrigation projects, if there are any projects which are to be located in the identified backward areas, priority should be given in making allocations for the projects in the backward areas and the allocations for such projects should be clearly taken to the backward areas sub-plan. It should also be ensured that allocations already earmarked for backward areas and classes like hill areas, tribal areas etc. are not reduced, in fact, there should be a gradual increase every year in the overall resources earmarked for such areas.

4.14 Based on the above factors, the divisible pool outlays out of the State Plan allocations should be worked out. The divisible resources would be worked out on the basis of the following :—

- (a) Calculate non-divisible resources intended for such items as are for the benefit of the whole State and are not susceptible to any division between the backward and non-backward areas e.g., the power projects, major and medium irrigation projects (where those schemes cover both backward and non-backward areas but these schemes are only to benefit the backward areas, these would be separately listed and plan funds allocated on priority basis).
- (b) Calculate what is already earmarked for such areas and classes as are backward like hill, tribals, desert etc. with a suitable progressive increase every year.
- (c) Excluding (a) and (b), the remaining State Plan resources would be regarded as divisible.

4.15 After giving careful consideration as to what should be the most equitable formula for dividing the divisible outlays, i.e. those listed at (e) above, between the backward and non-backward areas, it is felt that this formula should be such as would give some weightage to the backward areas. It is recommended that

the State Plan outlays for the backward areas should be worked out on the basis of 50% of the population and 50% of the area comprising the backward areas.

#### *Sub-Plan for Backward Areas*

4.16 The Plan outlay worked out on the basis mentioned earlier would then constitute a State Sub-Plan for development of backward areas. This would comprise :

- (a) Provision for such schemes which are intended to be located in the backward areas;
- (b) Provisions, with a suitable element of increase, already earmarked for areas and classes as are defined backward like hill, tribals, desert etc;
- (c) the allocations worked out of divisible pool on the basis of the formula in the foregoing paragraphs; and
- (d) adequate share out of the Minimum Needs Programmes.

4.17 Once the State Sub-Plan and the total outlays for the backward areas has been determined, the provision for such schemes like power, major and medium irrigation projects would be taken out as addition to the project or projects where the schemes are located. The remaining Plan provision would then be disaggregated on the basis of the project or a District where the whole District is declared as backward. There are going to be disparities even within the backward areas which are, comparatively speaking, somewhat more backward. For this disaggregation, it is recommended that this should be done on the basis of weightage of 50% of population, 30% of the area and 20% of income generated. As indices of income generation are not likely to be readily available, it is suggested that till such time as reliable indices become available for giving weightage to the less backward areas, disaggregation may be done on the basis of 50% of population and 50% of the areas.

4.18 The block assistance to the State Governments under the Gadgil and IATP formula has already been dealt with in the foregoing paragraphs. It is now proposed to discuss as to how far the Plan funds available in the Central Ministries in the Centre and Centrally sponsored schemes could be apportioned between the backward and non-backward area of the country.

4.19 The Central schemes consist of both 100% assistance programme as well as those which are shared on a matching basis between the Centre and the States. It is recognised that one of the basic approach for taking up Centrally sponsored programmes is to give priority to certain identified sectors which are considered essential in the national interest. Yet, it cannot be denied that there are a large number of schemes which are intended to develop certain key sectors all over the country. It is suggested that the Central Ministries may carry out a careful exercise and

determine which of their schemes are of universal nature and can be divided between the backward and non-backward areas. There should, however, be no difficulty in regard to schemes which are intended only for the benefit of backward areas.

4.20 As has been suggested in the case of the State Plan, it is recommended that each Ministry should work out a list of schemes which they consider can be classified as divisible. Once this exercise has been carried out, the total outlay available for these divisible schemes should be apportioned between backward and non-backward areas of the country on the basis of weightage of 50% for population and 50% for the backward areas of the country. Ideally, of course, the backward area formula would be to work out allocations for the backward areas on the basis of 50% for population, 30% for area and 20% for income generated in the backward areas. Unfortunately, the income generated in backward areas is not yet available. Till such time, however, as reliable indices do not become available, the rough and ready formula would be to give weightage of 50% for population and 50% for area, as suggested earlier.

4.21 Once this exercise has been carried out, Central Ministries could undertake specific schemes in accordance with their existing guidelines in the backward areas. In respect of Central schemes where sharing is on the basis of 50% grant from the Central Government, it should be ensured that matching grants are always available from the Central Ministries where State Governments have made provision for these schemes in the backward areas. The intention here is that in case adequate funds are not available with the Central Ministries to meet the entire 50% matching grant, priority should be given in respect of the schemes for backward areas.

4.22 The Committee has so far dealt with the Central and State finances. It has not touched upon the funds of the local authorities and institutional finance. It has, however, been mentioned in para 4.7 that the intention is to bring the total investment for development from all sources, within the purview of planning and implementation authority for that area. There are already existing institutions handling both the institutional finance and the funds of local authorities. As the broad approach of the Committee is that the implementation of the programmes would continue as hitherto the authority being only the coordinating and supervisory authority, these funds will continue to be handled as per the existing arrangement. The Reserve Bank of India have, however, appointed a Committee to Review arrangements for Institutional Credit for agriculture and Rural Development which is reviewing the credit arrangements for the entire agricultural and rural development sector. The Committee has decided to make its recommendations with regard to institutional finance so far as they relate to the backward areas on receipt of this report which is likely to be available by October, 1980.

## 5. IDENTIFICATION OF BENEFICIARIES

### Objectives

5.1 It is necessary to be clear about who are the least advantaged in the backward areas for purpose of designing policies and programmes for them or, who are the people who should be regarded as the "target group" for being accorded the first priority in planning and implementing comprehensive area development strategies. Certain exercises would appear to be essential. If resources were unlimited, there would have been no need for such an exercise and all the poor people in the backward areas could be taken up for simultaneous development, priority being accorded to the poorest. This is something which is not going to be the case at any time. One has to accept this hard reality that resources physical, financial and personnel would have great limitation. Development strategies and plans would, therefore, require to be formulated keeping in view the resources available and foreseeable, as per a time frame, to give priority to the poorest among the poor in the backward areas. Hence it is essential to define who should constitute "beneficiaries".

### Limitations

5.2 A number of exercises have been carried out in the country to determine the precise criteria for identification of poverty. It has, however, been found that any attempt to determine and apply complex quantitative indices or standards for the identification and classification of the poor is just not possible because (a) such an exercise would require, in practice, a specific and time-consuming research to determine precise indices; and (b) lack of statistical data (income, social and educational standards, farm sizes etc.).

5.3 In any area, a specific categorisation of the rural poor would have to be determined according to the local, economical and social conditions. In many backward areas, where the people are self-provisioning and do not figure in money economy, poverty lines cannot adequately indicate the actual inherent living conditions.

5.4 It is also neither desirable nor possible to adopt a narrow "rural poor only" approach, as rural development strategies would essentially have to be area-based, with emphasis on giving priority to disadvantaged groups, or the "target". In any area approach, all living in the area would have to be covered in formulation of programmes and their implementation. To illustrate, provision of infrastructure, community irrigation schemes, pest control, soil and moisture conservation programmes on a water-shed basis, these are only some of the illustrations. Yet, it is essential to identify the "target group" which should receive the highest priority and the maximum assistance, others coming in where the latter's non-inclusion would otherwise make the planning and implementation of a parti-

cular programme technically and administratively non-feasible.

5.5 In view of the limitations inherent in the situation, it would appear that it is just not possible to assess the number of poor on any scientific and precise approach for the simple reason that adequate data is not available and it would be too expensive and time-consuming a process to collect the data required for all the backward areas.

5.6 By and large, it is common knowledge which can be regarded as universally true for all backward areas that small and marginal farmers, share croppers, agricultural and non-agricultural labourers, rural artisans, tribals and scheduled castes families are poor people.

### Criteria for identification

5.7 The Ministry of Rural Reconstruction have recently issued some instructions under their integrated rural development programme, where the accent is on the weaker sections of the society, defining the beneficiaries and procedure of identification. Broadly speaking, the criteria laid by that Ministry are :—

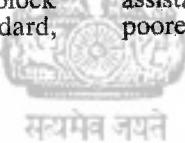
- (i) *Small Farmers* : A cultivator with a land holding of 5 acres or below is a small farmer. Where a farmer has Class I irrigated land, as defined in the State land Ceiling legislation with 2.5 acres or less will also be considered as small farmer. Where the land is irrigated but not of the Class/variety, a suitable conversion may be adopted by the State Government with a ceiling of Five acres.
- (ii) *Marginal Farmers* : A person with a land holding of 2.5 acres or below is a marginal farmer. In the case of Class I irrigated land, the ceiling will be 2.5 acres.
- (iii) *Agricultural labour* : A person without any land, but having a homestead and deriving more than 50% of this income from agricultural wages is an agricultural labour.
- (iv) *Non-agricultural labour* : A person whose total income from wage-earning does not exceed Rs. 200 per month. Persons who derive their income partly from agriculture and partly from other sources can also be brought under this category, provided at least 50% of their income is from non-agricultural sources. They need not have homestead but must be residents of the village, in which they are identified.
- (v) Small farmers and marginal farmers should themselves be cultivators. Ownership for this purpose means having transferable and heritable rights over land.

- (vi) For purpose of identification of beneficiaries, the family should be taken as a unit. Persons connected by blood and marriage and normally living together should constitute a household. Where members of the same family are living separately and as minor independent units, the income of minor wife and children should also be taken into account and added to that of the head of the family as in determining the status of the head of family as a small or marginal farmer.
- (vii) Where share-croppers are concerned, only such of them as have recorded right should be identified as small and marginal farmers.
- (viii) Persons with the prescribed land holding limits may still not be small and marginal farmers if they have any off-farm income of Rs. 200/- or more per month.

The above definitions and criteria would appear to be a good method of identifying the beneficiaries for the beneficiary-oriented programme and selection of the poorest, among those who are so identified as per the above criteria.

5.8 The problem is going to arise as to how to determine the level of income which is an integral part of the criteria—for identification of agricultural and non-agricultural labourers and have also some bearing even in respect of small and marginal farmers. A recent field study carried out by the National Institute of Rural Development, Hyderabad, in some selected blocks would indicate the type of the problem which is going to be faced. In Amlapuram block of the East Godavari District, which by any standard,

could be classified as a very rich area, field investigations have shown that out of the 40 thousand families in the block, over 19,800 or roughly 50% come within the definition of poor. As stated earlier, in the absence of any precise statistical data, income estimation of an individual can at best be done either on the statement of the individual or on the basis of the information given by the village Sarpanch etc. It is here that the crux of the situation lies. Such an approach is open to abuse and can lead to a misdirection of benefits. What precautions should be taken if any scientific attempt to collect statistical data about income etc. is to be avoided. The only solution would appear to be to involve the people themselves, and undertake preparatory field investigations to collect relevant information by involving the peoples themselves. It is suggested that the investigating teams may first determine the number of families on the basis of whatever data become available either from the individual or with the help of the village elders and then start the process of further analysing it in a public forum in the village, cross checking with a large public participation. In refining this data, steps should be taken to identify small homogeneous groups, consisting of may be not more than 30 to 50 families, whose needs and requirements, as well as social position are about equal, as per the data already collected. This would help in avoiding any confrontation between the conflicting interests. This group would then come forward to say which amongst them are entitled to be included in the "target group". This is the best which can be thought of and there would appear to be no way out unless the existing situation is to be perpetuated where a large number of the undeserving get the benefit of the state assistance, really intended for improving the lot of the poorest.



## 6. ORGANISATIONAL SET-UP FOR PLANNING AND IMPLEMENTATION

6.1 Effective implementation of the policies and programmes, which have been articulated in the earlier chapters, is now the main issue in backward area development.

6.2 The concept of planning for development and its execution, as a time bound programme, will require a well-considered counterpart administrative input. Unity of command is often considered an essential element of any administrative system. But unified command requires a capability in the command to deal with all the details in all the hierarchies of administration and institutions and local bodies. This is an impossibility. Whilst the various hierarchical administrations and institutions and local bodies must be responsible for the perfection of their own system of delivery, the overall command must be able to coordinate the programmes and distribute responsibility to the various parts. It must also have a minimum administrative control over the various field level organisations to get agreed programmes done. This is more so in backward and rural areas where the gap between intention and implementation is particularly large because of hierarchical weaknesses. Such a system has necessarily to be based on an area approach. A good and efficient administrative system, *inter-alia*, is expected to play the role of an innovator and pace-setter for socio-economic changes in the rural areas, with the effective participation of the people. Programmes likely to be undertaken will be varied enough to require adequate high level of inputs, both technical and non-technical. A strong multi-disciplinary leadership at the field level will have to be conceived. Whatever organisation is entrusted with the task of development of the rural areas will have to address itself at every moment about the efficacy.

6.3 Broadly speaking, the planning and development administration at the area level must ensure the following :

- (a) It must offer coordination of the political, administrative and local institutions for determining the programme of development for the area and the manner in which it can be implemented, thus enabling direct interaction between citizens, Panchayati Raj Bodies, non-official agencies like cooperatives and implementing agencies.
- (b) It must bring together all the administrative operations at the area level under effective coordination and a minimum effective control of a single agency to be able to effectively counteract the powerful forces of centralisation and fragmented decision-making, associated with vertical administrative hierarchies dealing with separate segments of the economy.

- (c) It must provide an effective mechanism for formulating a programme of development based upon the local resources, needs and expectations of the people.
- (d) It must interact with the existing institutions and local bodies and bring an administrative cohesion in these bodies by persuasion and get an agreed participation in the development programmes with specific responsibility for their part in the programme.
- (e) It must clearly lay down a programme of work for the participating agencies which would be made responsible for the proper execution of their respective assignments.

6.4 The strategy of development in the backward areas will have to start with maximising productivity in the crop production sector. Because of the fundamental backwardness of these areas, the inherent potential for agricultural growth and the application of the latest technology which further increases productivity has not yet permeated to these areas. The initial thrust will, therefore, have to be on substantial increases of agricultural productivity by suitable land use, multiple cropping practices and larger application of inputs. This will necessitate the marshalling of the input supplies, particularly fertilisers, pesticides, power, irrigation, equipment, credit, etc. As a result of this productivity increases, greater employment will be generated and a greater consumption power in the area will develop for consumer goods. This will give a boost to animal husbandry, pisciculture, horticulture and village and small industries catering to local consumption. The strategy will be to suitably phase this secondary development in a suitable time frame to adjust to available demand. A parallel effect of the development of consumer industries will be to raise a demand for services like transport and marketing in a backward area. This will generate further employment in the tertiary sector. Suitable skills will have to be developed to enable the agricultural labour to avail of the new labour opportunities that will arise in the secondary and tertiary sectors of growth. This whole process adjusting a new economy to the rural environment will require the active participation and cooperation of the rural population, particularly the rural poor. It is, therefore, essential that from the start of the programme itself the people whose lot is intended to be improved are enabled to exercise an effective role in the planning and the implementation process. There will thus have to be a multi-pronged attempt to tackle the problem of backward area development.

### *Historical Review*

6.5 Till recently, the major thrust towards development of the rural areas has been the development

of agriculture. Agriculture is, by and large, a private enterprise involving millions of farmers—large, medium, small and marginal. Dry farming technology, intensive horticulture, farm forestry and both inland and brackish water fisheries are recent additions to the available technologies for maximising returns from land according to the environment. The future of rural development and abolition of poverty will depend very much on the intensive and widespread dissemination of these technologies in the field.

6.6 Each plan puts forth a scheme of investment alongwith a policy frame including institutional changes designed to achieve specified objectives both overall and sectoral.

As mentioned earlier, till recently, agricultural development was considered to be the major instrument in promoting a rapid rise in the standard of living of the people. The major objectives of agricultural development in the successive Five Year Plans have been :

- (i) achieving self-sufficiency in foodgrains;
- (ii) increasing agricultural production to meet the needs of industry and exports;
- (iii) diversifying the rural economy with stress on animal husbandry, dairying and fisheries; and
- (iv) improving the levels of living of the farm community which constitutes the bulk of the population.

6.7 Till 1944, there was not much of administrative involvement in agriculture at the field level. The developments during the Second World War and after partition of the country which led to imbalance between demand and supply of various agricultural crops brought to focus the necessity for the State to involve itself in increasing the production of agricultural commodities. As the pace of development had to be stepped up, a closer involvement of administration with the farmer was found necessary in order to enthuse, provide the technical know-how, find the necessary inputs for him and solve various problems that might arise in intensive agricultural development from season to season. Following the report of the Grow More Food Enquiry Committee, the National Extension Service (NES) was introduced to continuously liaison with the farmers and assist them in achieving higher production, which was made a part of the Community Development Programme in 1952. While agricultural administration was expanded, the then existing administration was deprived of the full use of the widespread NES agency at village level because the community development programme developed as a separate programme. In 1958, the agricultural Administration Committee (popularly known as the Nalagarh Committee) drew attention to the need for technical expertise to be made available at the district level to support the intensive programmes of agriculture. Further experimentation on the administrative structure for intensive cultivation was done in

the Intensive Agricultural District Programme (IADP) introduced in 1961. The next important landmark in the development of agricultural administration was the report of the Working Group on Inter-departmental and Institutional Coordination for Agricultural Production 1963 (popularly known as Ram Subhag Singh Committee). The most important recommendation of this Working Group was the need for introducing a unified structure at the State headquarters under an Agricultural Production Commissioner (APC) to bring about coordination amongst various Departments, contributing directly toward agricultural development. In 1965, a further dimension was added to the agricultural programme with the introduction of High Yielding Variety Programme (HYVP) and the new strategy for agricultural development. The main element of the new strategy consisted of new seed varieties responsive to intensive application of fertilisers, water management and judicious application of pesticides, a parallel development in elite seed production and a rapid surge in irrigation development, particularly ground water development through private enterprise.

6.8 Alongwith these programmes of crop production, animal husbandry development was also intensified with the introduction of the Intensive Cattle Development Project (ICDP), Intensive Poultry Development Project (IPDP) and similar projects for sheep and pigs. In Fisheries, marine fishery was supported with the aspects of research and training. A forestry programme, which involved farmer and community development in growing trees for domestic use was added in the farm sector.

6.9 The National Commission on Agriculture reviewed the entire planning and administrative machinery for agriculture and allied programmes and stated in its report in 1976 that while 'there has been a sudden spurt in activity in several sectors of agriculture, based on advancement of scientific knowledge, the basic administrative structure for agricultural development was found wanting when increased demands were made on it by scientific agriculture'. This Commission made very important recommendations and its major emphasis was on securing a single line of control from the field level to the State Headquarters, giving full powers and responsibility to the technical officers in the administration of agricultural development programmes and strengthening of field level organisations.

6.10 Towards the end of the Fourth Plan, it was found that the new agriculture was creating further imbalances in the rural economy. Though scientific agriculture is neutral to scale, the large farmers got tremendous benefits from this new strategy, but the small and marginal farmers were not able to get the necessary increases in their incomes because they could not adopt it due to various difficulties of a socio-economic character and organisational and supply deficiencies in the rural sector. Growth with social justice having been accepted as the main policy of rural development, administration had to step in to see that the benefits of scientific agriculture were also available to the small and marginal farmers alongwith the large farmers. Various programmes

like those of Small and Marginal Farmers and Agricultural Labourers Development Agencies, Drought Prone Areas Programmes (DPAP), Command Area Development (CAD), Hill Area Development Programmes for development of milk production, poultry, sheep and pigs through small and marginal farmers and agricultural labourers are being tried out in various parts of the country. During the Fifth Plan, tribal development was taken up by the introduction of a special programme known as Integrated Tribal Development Project.

6.11 These programmes were sought to be executed through special agencies. An attempt was made to develop organisational and administrative structures which could deal with the basic problems of growth with social justice. In Command Area Development comparatively speaking, a more comprehensive view was supposed to be brought about and in the case of the tribal development the concept of a comprehensive development through an integrated development project was introduced. By and large, however, developmental efforts so far have been generally partial. Even where a broader framework was envisaged, it was not clearly articulated. What were supposed to be comprehensive programmes like the tribal development, ultimately became arithmetical totals of sectoral programmes. In the programmes of community development and tribal development blocks, an attempt was made to integrate the sectoral programmes essentially through the execution by a common executive agency. However, the technical competence available at the Block Level did not allow for the right type of integration which will maximise output. Sometimes attempts were made to build up plans from below and bring about a balance but even here these attempts finally emerged largely as schematic distribution of fixed outlays for a small area leaving flexibility in the programmes at the block level. Even this flexibility was lost when standard formulations tended to be superimposed from state and Union Government level.

6.12 Another variant of centrally sponsored programme is represented by the Integrated Child Development Scheme. In this case, certain additional health services were to be provided by the Union Government while other complements like nutrition was to be matched by the State Plan. This was also the case with the Family Planning Programme where the outlays for family planning centres and their accommodation is provided by the Union Government.

6.13 A closer examination of these programmes shows that most of them are formulated on the basis of a uniform pattern for all regions in the country and on the presumption that certain development inputs which should normally precede the special programme would have already been provided by the State Government or will be provided without much difficulty.

6.14 It has, however, been found that administrative structure and quality of personnel hold the key to the success of planning and implementation in the Backward areas. An Expert Committee appointed by the Ministry of Education & Social Welfare in

1972 to go into the question of evolving new strategy for development of tribal areas observed that as the tempo of economic development in the country increased, the need for specialisation in administrative organisation arose. Consequently, changes in the structure of administration and financial institutions continue to be made.

6.15 The tribal areas have been treated generally at par with other areas and sophistication has been introduced in administrative system with considerable specialisation of functions. Further, some institutions have been created for meeting the special problems of tribal areas which added to the multiplicity of organisation. This has resulted in high overhead administrative expenditure. The sophisticated machinery has failed to function efficiently primarily for want of good communication network, the first prerequisite of such a system, lack of high quality of personnel, long chains of command and lack of coordination.

6.16 The Five Year Plan took note of the critical role of administrative structure and suggested that it was essential that formulation and implementation of area development programmes was entrusted to a single line agency.

#### *Role of Integration and Coordination*

6.17 Rural Development can be achieved really well only when the various production opportunities can be brought to the door of the rural household. Each of the sectors, namely, agriculture, rural industry, tertiary sector opportunities and labour opportunities is comprehensive and multi-disciplinary. They require the integration and coordination of the scientists and technologists, extension workers, institutions, services, marketing facilities and training of all those participating in the vast complicated structure. Firstly there has to be coordination in the chain of technology transfer from the laboratory to the field. Secondly, there has to be coordination between the technical programme and the other requirements. Thirdly, and the most important of all, there has to be overall integration and coordination between the several sectors so as to make a comprehensive package to the household according to their capacities to absorb.

6.18 Coordination is a management problem. The essential needs of coordination are :

- (i) The coordinator must have a bird's eye view of the whole complex and broadly understand the interplay of the several parts in the functioning of the system.
- (ii) When systems are large, each function should be given full freedom to work with decentralised authority to the head of the function.
- (iii) The coordinator should not treat himself as an expert in any of the functions and overrule the head incharge of the function, but bring out the problem in the coordination level for a consensus.

(iv) The coordinator does not impose decisions but arrives at an acceptable consensus in which he will have to take a guiding role on the basis of his understanding of the interplay of the functions in the system.

6.19 Ever since the days of the community development movement, the country has been talking of a coordination machinery for rural development. The Block Development Officer was the coordinator at the block level. As a general feature, the Collector was the administrative coordinator at the District Level. In the present set-up at the district level, there is no single organisation coordinating the work of different district level offices in different departments and non-official agencies which are working independently and in isolation. Multiple offices for different fields of development like crops, land improvement, soil conservation, minor irrigation major and medium irrigation, animal husbandry, village level and small scale industries, training of artisans etc. and other programmes with co-terminous jurisdiction make the task of coordination at the field level rather onerous. Duplication of work has been observed sometimes between the staff appointed under different schemes in the same department. It has also been observed that there are similar types of schemes run concurrently by different departments resulting in overlapping and duplication of work. For instance departments of minor irrigation, state electricity boards, state ground water boards, land development banks and agro-industries corporation could all be concerned with the digging of tube-wells, grant of loans for the purpose and energisation and maintenance. Thus, there are too many parallel and vertical lines of control without any horizontal linkage resulting in high degree of centralisation of power at the head office, as was brought out clearly by the Administrative Reforms Commission appointed by the Government of Tamil Nadu in its Report dealing with the Department of Agriculture (Report No. 27). In the animal husbandry sector also, there are problems which need coordination at the District level particularly in States like West Bengal where separate directorates were incharge of animal production, animal health, dairying and sheep industry.

6.20 There has been steady growth of development staff at the district level under various departments and under official and non-official agencies. Further as a result of advancement in different branches of agricultural science, the field staff has acquired a highly specialised character and the requirements of specialists of calibre have also increased at the District and at the block levels. Special staff are appointed under different schemes and there is no uniform staffing pattern at the district level. Moreover, the growth of staff has not taken place in a planned manner and there are variations from district to district which cannot be justified in terms of potentiality for development in the district nor on the magnitude of the effort already being put in.

6.21 In the existing system, coordination among the various development programmes is secured in most of the States through the District Collector who acts as the Chairman of the District Level Coordination Committee(s) having varying nomenclature in different States. In some states there is a wholetime official

drawn from the general administration, of the rank of Additional Collector, who is entrusted with the work of coordination. In some others, the coordination is sought to be done through the District Development Assistant. There is also multiplicity of Coordination Committee at the District level. These have been constituted also for individual programmes and sometimes an official committee is presided over by the Collector and another committee of the Zila Parishad exists side by side. The periodicity of the meetings of the District level Coordination Committees is not frequent enough and there is no arrangement for the Collector to follow up all the decisions taken by them. In the circumstances, the Coordinating Committees have not served their purpose. Thus, there is no effective coordination among the District level agencies, staff under the Agricultural Universities, Credit and Services Institutions. Experiences have amply shown that effective coordination cannot be secured mainly through overhead coordinating bodies unless they are backed up by an organisation which is involved in planning and is responsible for watching the progress. Coordination without involvement in the planning process which leads to the programmes is responsibility without control.

6.22 Decentralisation of authority and decentralisation of financial control have been recommended by many committees and the principle has been accepted all round. Yet, it is a fact that whilst decentralising the functions the superior authority keeps in its hand such powers of detailed intervention that the decentralisation has no meaning. Coordination necessarily presumes the decentralised authority for the several parts which are to be coordinated. In rural development, as conceived, each part is massive by itself and requires decentralised functions. Yet funds allotted in the budget are less than what the approved programmes require. Then a caveat is added that financial powers should be used only if the budget provisions will not be exceeded. As a result, for every minor deviation the lower authority has to go to the superior authority for detailed sanction.

6.23 To add to the confusion in the last several years, there has been quite a controversy as to who should coordinate and control. A running argument about 'generalist vs technologist' has been kept alive. This arose to some extent because of the Collector being made the coordinator. The heads of the various technical departments responsible at the district level for their disciplines were in several cases much senior to the Collector who occasionally was a very junior officer. The status question which is all pervasive in Indian administration was one reason for the dispute, but there was a much more valid point. Wherever the junior Collector assumed to himself the right to dictate in technological matters, there was bound to be controversy. Before one can dictate one must know. Obviously the junior Officer would not have had the background or the experience to be sure of his position in any of the technological lines. On the other hand, if he had understood the role of coordinator and used his intelligence to bring about a consensus with his common sense, there would not have been any trouble. The role of a coordinator is like that of a good chairman of a technical committee. The chairman need not know all the details of the several parts

of the problem, but if he has the capacity to bring out in discussion the points at issue and give everybody an opportunity to consider the problem and arrive at a consensus, he will be a good chairman. Many people in public life have held posts of chairman brilliantly. Coordination is an art of management and comes naturally to some people but can be learnt by others. The trouble is that the nation has not built up its coordinators. Whether the coordinator is the Collector or a technologist, he has to be taught the skill of management. The National Commission on Agriculture has pointed out that the Agricultural experts will have to be trained in management and administration so that they can take their proper place at the higher coordination and administration levels. Training in coordination is therefore essential.

6.24 Two systems have been evolved in coordination and decentralisation with the approval of all concerned. This gives us a hope that the problem is not insoluble. In the command area development programme three or four disciplines have to be brought together, a coordination-cum-administrative approach has been established. Powers have been decentralised at the administrative and financial levels to this authority. Such systems can be useful for decentralised functions of the various disciplines in rural development. The other example is the Central Coordination Committee sanctioning small farmers development agency and drought prone area programmes and so on. In this structure, modification in the programme is allowed on a general basis to the performing units and this is done by the order of the Coordination Committee. No further detailed examination and sanction is required. The field authority has reasonable independence to adjust the programme to suit to local needs. This structure again has been accepted by all concerned.

#### *Review of various Organisational Models*

6.25 A number of models have been tried for different purposes in the development history of our country. Generally, special organisations have been entrusted with the administration of specific programmes. The scope of these programmes, in its turn is defined by the purpose of the initial grant. Block Development Committees, Tribal Development Agencies, Drought Prone Areas Development Authority and the last to come on the scene, Command Area Development Authority are some of the Examples of different models. The Block Development Committee, in its original form, was expected to guide the entire development process of the relevant area. Its advice was sought, and sometimes made mandatory, even in those programmes which were not funded by the block budget. This institution, however, did not grow and its authority got slowly circumscribed to the narrow limits of the programmes in the block budget. Similarly, the Tribal Development Agency (TDA) was initially expected to have a very wide frame of total development of the area. However, as the TDA projects got progressively limited to production programmes, their role got reduced to that of administering a specific programme. The Drought Prone Area Development Authority is also conceived to take care of drought proofing programme within specified outlays. The Command Area Development Authority,

which has been created for ensuring integrated agricultural development of those regions which have good potential and where heavy investments in different sectors have already been made, has a much wider frame. It has within its purview the entire agricultural and allied sector activity which includes extending irrigation, development of marketing credit etc. It however does not include social services and protective aspects. Nevertheless it is an important step towards integration of authority.

6.26 The Integrated Tribal Development Project Authority, which has been created, to undertake a total programme of development of the area, has a much wider coverage of subjects than the Command Area Development Authority. This Authority represents the total Plan effort in the project Area and includes all the programmes taken up in the region by Central and State Governments, cooperative institutions, statutory and semi-autonomous bodies etc. Provision has also been made for adequate delegation of powers both, financial and administrative, although (in effect it has yet to get off the ground) in practice this has yet to be translated in the actual working.

6.27 The extreme model of single line administration is in the North Eastern region or Ladakh where the District Magistrate is the Development Commissioner and has under his command the entire administrative and developmental functions in the area. The future would seem to lie in taking the best of the existing structures in respect of ITDP, command area development and DPAP and formulate a model to bring about rural development at the area level and a suitable set-up for planning and implementation at the project level.

#### *Role of Panchayati Raj Institutions*

6.28 Historically, the NES which was contemplated as a developmental structure from the village to the district level got merged in the Community Development Programme and was later passed on to the Panchayati Raj Administration. In most States, panchayati raj has a three-tier organisation comprising the Zila Parishad at the district level, panchayat samiti at the block level and the village panchayat at the village level. It was easy to link up the VLW with the village panchayats, the next higher level of technical experts, namely, AEO with the block level and the District Officer with the Zila Parishad. Where mass responses to the State programmes has to be secured, this link up between the administration and the policy making elected body is theoretically a good combination. This arrangement worked reasonably satisfactorily as long as the programmes were limited to marginal improvements of traditional agriculture which everybody, particularly the elected representatives of the people, could understand. With the introduction of intensive programmes like the IADP and Intensive Agriculture Area Programme (IAAP), the first signs of the inability of the structure to respond rapidly enough to the scientific changes became apparent. On the other side, though agriculture was an important development programme under the control of the panchayat samiti and the Zila Parishad, with some exceptions, it was found that the problems of agriculture

were too mundane to enthuse elected representatives. There were other sectors where performance could be immediately identified which naturally attracted elected representatives who had to depend on noticeable performance for their survival. A study carried out by the National Commission on Agriculture in Maharashtra, which is the best representative of the panchayati raj system, shows that even here not all the zila parishads were capable to respond to the needs of scientific agriculture at the pace required.

6.29 In the broad structure that has emerged at the District Level after the introduction of Panchayati Raj in the various States, the district Collector's association with the emergent system and the role assigned to him under it vary from State to State. The following patterns are noticed :

- (i) In Maharashtra and Gujarat, the District Collector is kept out of the Zila Parishad.
- (ii) In U.P. and Bihar, he is entitled to attend the meeting of the Zila Parishad and participate in the discussions, but has no voting right. In Bihar, he may also attend the meetings of the Panchayat Samities and its standing Committees but without a right to vote.
- (iii) In Assam, Orissa, Haryana, Punjab and Rajasthan, the Collector is a non-voting member of the Zila Parishad with which he is associated in purely advisory capacity. Thus, he has no involvement in the decision making process in rural democracy.
- (iv) In both Karnataka and Tamil Nadu, the Collector is the Chairman of the District Development Council.
- (v) At the other end of the scale stands Andhra Pradesh where the Collector is not only a member of the Zila Parishad but also the Chairman of all the standing Committees in whom is vested executive authority in most matters.

There is, thus a wide variation in the Collector's powers and functions in relation to the Panchayati Raj Institutions. Leaving aside Maharashtra and Gujarat, even in the other States, there is no happy union of the administrative system with the political system. The role of the Collector as a coordinator has not been precisely and clearly defined. The Collector continues to have under him, the district level functionaries of all the technical departments although the latter, in technical matters, deal directly with their respective heads of Departments at the State headquarters. There is thus some dual supervision which may occasionally prove to be a source of friction; thus while seeking horizontal coordination at the area level the Collector has often to face the problems of departmental verticalism.

#### *Growth of Institutional Support*

6.30 The structure we have been discussing so far is for the technical expertise which can advise the farmer on his programme. Scientific agriculture requires

timely and adequate credit, inputs and services also. Various institutions have been developed to deal with many problems arising out of developmental needs. The cooperative structure deals with credit and marketing. The land development bank finances and the Agricultural Refinance Development Corporation (ARDC) refinances long-term funds for agricultural development but Agro-industries corporations have been formed for rendering services and supplies in machinery and other farm inputs. The commercial banks are coming up in a big way to support short, medium and long-term credit and to assist in the necessary custom services and marketing facilities in areas of rapid growth in production. Recently 'LAMPS' (Large-sized Agricultural Multi-purpose cooperative Societies) have been introduced in tribal areas. Then there are several corporations set up by different states to deal with specific problems. While the technical departments are in charge of supervision, regulation and coordination of supplies and credit, the institutions are becoming increasingly interested in actual supply of the requirements. Therefore, unless there is close coordination between the working of these two sets of agencies, programmes will not get implemented within the time frame laid down. An important new aspect of district administration is thus emerging.

#### *Recommended Approach*

6.31 The foregoing would clearly indicate that a strong multi-disciplinary leadership at the project level has to be conceived. Whatever name this organisation is given and whatever be the organisation entrusted with the task of comprehensive development, it will have to address itself at every moment about its efficacy in these crucial areas. Some of its essential features have to be a fairly wide delegation of authority, both in terms of finances and personnel, day to day administrative control over all related functionaries, irrespective of the department to which they belong, flexibility in budgetary and accounting procedures, etc.

6.32 Considering the experience of the various models attempted so far for specific programmes and the fact that the new strategy envisages a comprehensive development approach, what has to be aimed is not the creation of a new organisation, but suitable restructuring and remoulding of the existing set up. The administrative set up for integrated rural development should be areas-based, with built-in multi-purpose characteristics for a well defined area. The set up should cover all rural development activities which should function in a coordinated way. In other words, the set up would largely be an entity comprising of the existing administrative units in the given area, with such innovations and modifications, as are necessary to achieve the ends in view.

6.33 A question at this stage can arise whether such an approach will have any special characteristics which can distinguish it from traditional administrative structure. If under the new dispensation, the proposed organisation is to be a conglomeration of the existing units, it may, in reality, be merely a new name for the old system. If the present system has not delivered the goods how could it be expected that a mere renaming and certain modifications would

give it the necessary drive and dynamism? Past experience has shown that a new body/organisation, set up with the best of intentions, loses with the passage of time, its initial drive and ever becomes dysfunctional. Whatever may be the rational for creation of a totally new organisation, it only adds to the mass. The best would appear to be to introduce such innovations as are necessary to fit in with the total development approach and the full involvement of the people. Such innovations can succeed only if these are attempted within the existing structure by changing, re-moulding and fusing them together, without adding to the mass, but strengthening them, where necessary.

#### *Proposed set up*

6.34 As discussed earlier, a comprehensive development project is envisaged to be implemented on the basis of a 'Project approach' on the pattern of the Integrated Tribal Development Project for the total development of the project area. This project should cover the entire non-regulatory administrative apparatus in the project area.

6.35 An important question has to be settled as to the role of Panchayati Raj in the structure the Committee is suggesting. At the block level the Panchayat Samithi is the elected body with certain powers of policy formulation. The actual field picture regarding the powers and authority of the Panchayat Samithi varies very substantially from State to State. The only fixed authority at this level is the Block Development Officer with his staff and an agreement for coordination of the other hierarchies at that point for certain accepted policies. The project approach dealing with more than one backward block has got the capacity to coordinate satisfactorily the work of the Panchayat Samithi in the fields which they handle and the work of the other departments and institutions within the project area. There is no conflict between Panchayati Raj and the project authority at this level. The Chairman of the Panchayat Samithi is proposed to be included as a member of the Board of Management at the project level to bring the necessary coordination.

6.36 The resume in 6.26 and 6.27 shows that the best example of an active Zila Parishad can be that of Maharashtra and to some extent Gujarat. Even there and even in the fields which have been delegated to them for action, there are parallel structures of technical departments dealing with various aspects in the field. There are large sectors which, have to be handled in integrated rural development which at present, is outside the decision making and implementation authority of the Zila Parishad. Hence there is a need for a proper coordination organisation which will plan comprehensive development, monitor and check implementation and coordinate the functions of all the departments, Panchayati Raj institutions, and the institutions involved in the process of development. It is from this aspect that the Committee is proposing a coordination function for the Collector who is at present the only person who can discharge responsibilities at this level.

#### *Project Level*

6.37 As already discussed, each project will consist of two or three identified backward blocks, depending upon the needs and size of the area. Situations can arise where a district may have only one such project or more than one project.

#### *Formal Structure of the Integrated Development Project*

6.38 A number of alternatives can be considered for the formal structuring of the Integrated Development Project Authority.

As mentioned earlier, different models have been adopted for various purposes in the past in different parts of the country. One extreme model is that of a statutory body. An IDP authority could be created by an appropriate statute of the State Legislature. The statute could define its composition, powers, responsibilities etc. Another possibility is that of a registered society under the Cooperative Law or Societies Registration Act. There is also the alternative of setting up of a Corporation under the Company Law. Here, also, the objective of the society, its composition and functions could be suitably defined. The Articles of Association however cannot define the powers of a society. It will have to depend, therefore, on the delegation of powers by the State Government. Lastly, a body may be created by an executive order of the State Government defining its composition, functions, powers etc.

6.39 Each of these forms has its own merits. All the various models described above have been attempted for some purpose or the other. It has to be remembered that precise conditions in backward areas are neither uniform nor fully known. A statutory body is to be ruled out straightaway. Not only there is possibility of its bending to be rigid but it may become difficult subsequently to modify its working with speed in response to emerging situations. Further a statutory authority will have a legal entity distinct from State Government Departments. Also, the various sectoral programmes may have to be formally divided between normal departmental programmes and the statutory authority. This is not what is envisaged.

6.40 Structurally, there would not appear to be much difference between a statutory body and a registered society except that the Articles of Association in the case of registered society can be changed by its promoters. Thus, a change in structure with the changing situation may be easier in its case but in practice it may be quite a time consuming process. The reorganisation of the Coop. Credit Societies is a good example of the time frame of change. A registered society also shares with the statutory model the disadvantage of being a separate legal entity. This experiment tried in the case of small and marginal farmers as well as drought prone areas has not been very successful although the experiment was for a limited purpose. Another disadvantage would be that it may not be possible to delegate extensive powers to a registered society. Thus, a registered society pattern will not be suitable at least in the initial stages.

6.41 Flexibility in original constitution, adaptability to every changing situation, adequate delegation of powers are some of the essential requirements which have to be satisfied by any formal structure of an IDP. It is strongly felt that the best course would appear to be to set up an appropriate authority by an executive order of the State Government. The executive order should clearly lay down the delegation of powers so that there is no time lag between the formal constitution of an authority and its effective functioning. An authority created by an executive order will have the advantage of avoiding the creation of a separate legal entity. The development programmes through such an agency could be conceived as comprising the totality of programmes under all sectors.

6.42 A question may, however, arise as to what advantage such an authority may have over the present departmental structures. *Prima facie*, it would appear to be a legal fiction superimposed on the existing administrative structure. While this may appear to be so, the biggest difference and advantage which an authority would have is the flexibility of the approach, active involvement of the representatives of the people and the poor whose lot is intended to be improved with plan formulation and implementation of programmes, which is the core element of the new approach. Also, the present situation requires not substantial addition to the administrative machinery but optimal utilisation of the existing structures. Needless to say, much would depend on how in practice each State Government defines the functions of the IDP authority, delegates necessary powers and allows it to function effectively and expeditiously without unnecessary constraints from higher levels.

#### *Composition of the IDP Authority*

6.43 (a) The authority would have a Board of Management consisting of representatives of the local people (here it is intended that these representatives should come from the Block level peoples' organisations as envisaged in Chapter 9), other elected bodies, local self Government bodies, credit institutions, cooperative societies at the District level, various technical Departments and the Chief Executive Officer who would function as Member Secretary. In order to ensure that the Board of Management does not become too unwieldy, it is recommended that its total strength should not exceed 15, out of which the number of officials should not exceed five, 5 should be the representatives of local people, elected bodies etc. and the other five should come from credit institutions, cooperative societies, regulated markets etc. The Collector of the District would be the Chairman of the Board.

(b) The authority would be responsible for :

- (i) planning, direction and monitoring of all programmes in the project and the Blocks within its jurisdiction;
- (ii) While actual implementation of programmes would continue to remain, as hitherto, with the concerned Department, the Authority would however, exercise such powers as are considered necessary to ensure not only the

coordination of the work of all the departmental officers in the Project but also be in a position to exercise such control as would enable it to issue directives and take work from them; and

(iii) issue directives and act only through the Chief Executive Officer.

(c) There will be a Chief Executive Officer who would also function as Secretary to the Authority.

(d) All officers in the Project would be directly under the day today administrative control of the Chief Executive Officer. The administrative control here is intended to include writing of confidential reports, sanction of leave as well as transfers and postings. It has, however, to be ensured that the technical supervision and guidance from the concerned Departments should continue, as hitherto, and is not diluted in any way.

#### *Block Level*

6.44 The Block Development Officer, or his equivalent, would function as the Executive Officer under the IDPA so far as the Block is concerned. All beneficiary-oriented programmes would also be implemented by the Block Administration under the overall superintendence and direction of the IDP Authority. Peoples' associations and other voluntary organisations, on the lines suggested in Chapter 9, should be given fullest opportunity to plan and implement the programmes in a coordinated and efficient manner.

#### *District Level*

6.45 In several Districts, there are likely to be more than one IDP in the District. Also, the block level planning and the project level implementation would require coordination at a somewhat higher level in order to work out a proper programme, and secure the best deployment of resources, particularly in respect of such schemes and programmes which cut across the boundaries of more than one project. Planning and coordination will also be necessary to eliminate contradictions, inconsistencies, discrepancies and overlapping among the various schemes being executed by different departments and to render the block level schemes mutually compatible and supporting in order to increase their overall impact. It is, therefore, essential to keep the Collector, who is the head of the District, to be fully in the picture. It has also to be remembered that it is the regulatory administration which is synonymous with administration and unless active and positive response is forthcoming from the District staff, the developmental functionaries are not likely to find the proper response from the people. It is, therefore, suggested that the Collector should be the chairman for all the projects located in his District.

6.46 At the District level, there should be an Advisory Committee for planning, monitoring, implementation and coordination for development of backward areas to assist the District Cells with a view to associate the peoples' representatives. The Collector shall be the Chairman of this Committee. In order to ensure that the Committee does not become too unwieldy, it

is recommended that the total strength should not exceed 15, out of which the number of officials should not exceed five, five should be the representatives of local people, elected bodies etc. and the other five should come from credit institutions, cooperative societies, regulated markets etc.

6.47 The Committee has noted that, recently, the Government of India have issued instructions in regard to the strengthening of the District level agencies, namely, SFDA, IRD, DPAP etc. and provided three experts, namely, Economist/Statistician, Industries Officer and a Credit Planning Officer. It has further been explained that the agency concerned is expected to coordinate the activities of the Department functioning in the field and has also been entrusted with the responsibility of formulation of Block plans. The entire processing namely, identification of beneficiaries and implementation of the programmes is done through the Block administration. The agencies do not have their own set up. All that it does is the planning and co-ordination at the District level. The proposed approach of having an IDPA envisaged a total programme for the development of the project, which is more than mere arithmetical summation of sectoral programmes. The authority would naturally take over the functions of identification of beneficiaries and implementation of the programmes in respect of the area falling within its jurisdiction irrespective of the agency handling it at the District level. Whether the agency should continue as a separate entity for co-ordinating and superintending its work in the District as a whole, at the District level should continue or get merged with the District Monitoring and Co-ordination Cell at the District level is a matter which each State Government will have to decide taking into account the local situation. Some indication of a possible merger is already available in the recent instructions of the Government of India mentioned in paragraph 6.47.

#### *State Level*

6.48 Apart from the Steering Committee under 'Planning' which will guide the implementation of all the programmes in the backward areas in the State, it would be necessary to have Co-ordination Cell at the State Headquarters not only to monitor the progress by the various development Departments but also to exercise the necessary budgetary control and to ensure that Plan allocations made for the development of backward areas are not diverted to any other area. This Cell must necessarily be attached to the Department dealing with planning.

#### *Central Level*

6.49 An officer of the rank of Additional Secretary/ Joint Secretary in the Ministry of Rural Reconstruction would be designated Director General, Development of Backward Areas. His duties would be to monitor and evaluate the progress in the implementation of various programmes. He would also coordinate with the other concerned Ministries about the release of funds etc. like tribal development with Home Ministry; Rural Health with Health Ministry, Education with Education Ministry and drinking water with Ministry of Works & Housing.

#### *Fusion and Rationalisation of Administration*

6.50 The IDP authority and the Chairman of IDAs in the District should have at its disposal an adequate technical input at all levels, i.e., District, Project and Block. So long as every minute speciality tries to reach the village through its own specialised agency, a large number of specialists would be necessary who cannot all be of a block level. On the other hand, the provision of higher technical expertise in each specialisation would be too costly and would result in underutilisation of the scarce technical manpower.

6.51. The developmental activities and functions in the Project should be grouped into a number of broad specialisations. These may include, depending upon the need :—

- (1) Planning, monitoring and evaluation;
- (2) Agriculture and allied Sectors;
- (3) Forestry (Where forest resources are important),
- (4) Engineering Services;
- (5) Health Services;
- (6) Social Services; and
- (7) Industry and Employment.

6.52. Each broad group may be headed at the Project level by an Expert in a Sub-Specialisation which may be the most important for the area. For instance, if in an area irrigation has to be given the highest priority, the head of the engineering services could belong to the Irrigation Branch.

Similarly, if road development is more important, an engineer belonging to roads may be the head of Engineering Wing. Thus, it will be possible to disperse scarce technical manpower evenly and re-define their functions in such a way that high level technical expertise is available nearest to the point of execution. Under this arrangement, for instance, while the Executive Engineer (Irrigation) may take care of irrigation works only, but an Assistant Engineer (Irrigation) stationed at the Block level could supervise other engineering programmes. In effect, therefore, at the Block level, there would be re-distribution of functions in the context of the local needs, without necessarily disturbing the organisational structure. In such a case, the Project could afford to have the services of a pretty senior expert as head of the Engineering Services who may oversee the entire engineering services in the area. This will also help in up-grading the technical expertise at the Project level, without adding substantially to the cost.

6.53. This suggestion may appear to be an attempt at putting the clock back. It may, however, be pointed out that specialisation has to be a function of economic activity, level of development and social situation, instead of each specialisation building its own 'empire', in isolation. It may not be possible, nor perhaps necessary, to reverse the whole process in all cases but rationalisation and fusion of functions has to be brought about. It is, therefore, recommended that, in an integrated area development approach

it would be useful, to have integration of specialised functions within the same broad discipline under the charge of a sufficiently senior officer, each incharge of a broad specialisation. All sub-specialisations within each broad specialisation should be under unified command of the head of the Branch. The functions at lower levels would be made broad-based and re-defined.

#### *Strengthening of the administration in the District for planning and implementation*

6.54. As pointed out in Chapter 3 on 'Planning Processes and Decentralisation of Planning', the Block level plans and surveys are envisaged to be carried out by a block level planning team consisting of the Block Development Officer and other technical and related staff available in the Block, assisted by surveyors recruited on a temporary basis to collect information about the individual households. The temporary recruited surveyors are not likely to cost more than Rs. 5 or so per family. In addition, it has been recommended that an Addl. Block Development Officer should be provided at the block level to relieve the Block Development Officer of the non-developmental activities and other routine work. The BDO should function purely as a Development and Project Coordinator for the Block. In addition, depending on the needs, three Area Organisers, selected, as far as possible from the local people, should be appointed on payment of suitable honorarium. The Block staff should also be augmented with secretarial assistance like accountants, typists and tabulators. Transport facilities like Scooters, Motor cycles and Cycles would have to be augmented.

6.55. *Project Level* : A project is envisaged to cover two or three Blocks depending on the size and situation of the area. There should be a Chief Executive Officer for each project of the rank of Addl. Collector. The Project authority, as stated earlier, would get the programmes executed through the concerned departments. It will have to be provided a coordination cell and secretarial assistance. There should be a Chief Executive Officer for each project of the rank of Addl. Collector. The Project authority, stated earlier, would get the programmes examined through concerned Departments. It will, however, have to be provided a coordination cell and secretarial assistance.

6.56. As recommended in para 8.30 of Chapter 8 on 'Financial and Budgetary Control', a strong Accounts Cell would have to be created at the project level. This Cell would be responsible for primary accounts keeping, reporting the progress to the sectoral authorities, advising the project authorities on financial matters, monitoring the flow of funds from different authorities and in regulating it below the project level.

6.57. *District Level* : The requirements of additional staff for the District Planning Cell have already been indicated in para 3.20. Apart from the creation of a District Planning Cell, there would have to be a strong Coordination, Monitoring and Implementation Cell. Whether this can be manned by suitable adjustments of the existing staff or new posts would have to

be created will have to be examined on merits in each case. The Committee would, however, recommend that a strong Planning as well as a Coordination Monitoring and Implementation Cell should be provided at the District level and it should be equipped with adequate staff.

6.58. As it is intended that the Collector or the District Magistrate should be the Chairman of all the project authorities located in the District, it would be essential to provide a separate cell to coordinate and monitor the implementation of the programmes in the various projects. It should be possible to find the necessary staff for the cell from the existing staff in the Collectorate but the possibility of providing some relief to the Collector in some Districts where the workload of project implementation is heavy, may have to be kept in mind.

6.59. *State Level* : The existing Technical Cell which have grown during the Fifth Plan and have been set up with the assistance of Central schemes for strengthening of planning machinery at State level should provide the necessary technical and secretariat support. In the case of those States which have not so far set up such Cells, steps have to be taken to ensure that these are set up immediately. There should also be a separate unit in the planning board (or whichever agency is responsible for plan formulation) which would monitor and analyse variations in levels of development in different regions in the state and act as the nodal point for the integration of backward area plans in the state plan.

6.60. As mentioned in para 6.42, the cell to be provided in the Department dealing with the Planning will also be responsible to coordinate and monitor the implementation of all the programmes for the development of backward areas at the State level. Whether this can be managed by the Department without adding in more posts will have to be decided by each State, depending on the situation.

6.61. *Central Level* : As stated in para 6.43 above, one of the Additional/Joint Secretary in the Ministry of Rural Reconstruction should be designated as Director General, Development of Backward Areas, to monitor and evaluate the progress of implementation of the programme.

#### *Relationship of the Integrated Development Project Authority and Panchayati Raj Institutions*

6.62. It has already been stated that the Block would constitute a part of the larger structure of the integrated development project, as such an arrangement would remove the possibility of any problems arising from dis-harmony of relationship between integrated development project and its constituent blocks. The administrative structure of the Block would thus have to be retained as it is, apart from such strengthening as has been recommended earlier.

6.63. It would be essential to delegate certain responsibilities to the block level. There are certain items like primary education minor irrigation, household industries etc. which can be meaningfully planned with a smaller frame than an Integrated Development Project. An attempt has been made in the Annexure to

demarcate the functions at the block level, Integrated Development Project level, district level and state level.

6.64. The Block unit should continue, however, to be the unit for planning and execution at the micro level, but within the overall frame provided by the Integrated Development Project and under its command. An Advisory Committee at the block level may be constituted. While investment may be monitored up to the block level there should be no attempt to formalise any schematic pattern.

6.65. As stated earlier, there is no uniform pattern of Panchayati Raj institutions in all States either with

reference to their area of coverage or their role in planning or execution of developmental programmes. Therefore, integration of programmes, as well as streamlining the structure with a view to eliminate duplication, will need to be worked out specifically in terms of the pattern obtaining in each State. In all areas the basic objective of purposive, time-bound, and effective programme implementation must not be compromised for any consideration whatsoever. It may be noted that many a time the interests of the weaker sections of the community have been compromised or ignored because some organisations are controlled by the stronger sections.



**ANNEXURE**  
**DISTRIBUTION OF FUNCTIONS AT VARIOUS**  
**LEVELS**

**Block Level**

1. Education upto higher secondary level where possible;
2. Elementary Health Services;
3. Agricultural extension;
4. Supply of agricultural inputs;
5. Smaller minor irrigation schemes;
6. Elementary veterinary services;
7. Multi-purpose cooperative societies providing integrated services of credit, marketing, supply of inputs, smaller godowns at market centres;
8. Organisation of local Panchayats;
9. Household industries; and
10. Village approach roads.

**IDP and District level**

1. Higher education;
2. Technical and vocational training;
3. Man-power planning and employment services;
4. Advance health services with referral facilities;
5. Agricultural research extension;
6. Seed Multiplication Farms;
7. Soil Conservation and Land management;

8. Apex Integrated Credit Marketing Structure with adequate godowning and buffer stock facilities;
9. Development of road and communication infrastructure connecting markets with State/districts highways;
10. Distribution network of power, rural electrification etc.
11. Local resources-based industries with adequate market linkages;
12. Forest management;
13. Horticulture development;
14. Complimentary development programmes in the hinterland and of bigger industries;
15. Minor and medium irrigation projects; and
16. Research, statistics and evaluation.

**State Level**

1. Coordination of activities in Integrated Development Projects;
2. Direction of the various sectoral programmes in the project;
3. Industrial and mineral development;
4. Marketing support to projects; and
5. Evaluation.



## 7. PERSONNEL POLICIES

7.1 Whatever be the administration and organisational structure, a dedicated group of people can always deliver the goods. It will be idealistic, however, to conceive of a system manned by members all of whom are really first rate. It is for this reason that considerable stress has to be laid on administrative and organisational structure, which has been dealt with in the relevant chapter, so that given an average quality of personnel, the system can work.

### Problem

7.2 Personnel policies have received very little attention in the past resulting in ad-hocism. Also, there has been no clear distinction between policies adopted for developmental functions and those relating to regulatory functions. In fact, little has been done to adopt these personnel policies to the emerging needs. For regulatory departments a tenure of 3 to 5 years for an officer was envisaged as normal. This has been reduced considerably. The same standards are adopted for developmental and technical fields as well. In view of the considerable disparity in the availability of social services like education and health in different areas and spiralling prices which makes it difficult for fixed income groups to keep to the expected standards of living, transfers and postings in effect, have come to be a part of the reward and punishment system in personnel administration. This is not a happy situation. Elements of punishment which have crept in must be eliminated by suitable built in elements of compensation.

7.3 Further, even within the parameters of prevailing situation in personnel administration, the backward areas in particular tribals, inaccessible hills and desert areas, suffer from some special disability because of their special problems some of these are :—

- (a) These areas lack special services like education/health. This entails extra financial burden on all categories of personnel particularly those working outside the main towns and in more interior areas. The children's education become a real burden and many are forced to maintain a double establishment.
- (b) Many of these areas are still unhealthy. This adversely affects the personnel.
- (c) The communications generally are not well developed requiring individuals to walk long distances before they can reach even the rail-heads. It also results in a higher cost of living because the commodities, to which this group is used to, may not be available in these far-off lands. Lack of communication also means more stringent working conditions for which people may

not be prepared without adequate compensation.

- (d) Housing facilities are conspicuous by their absence in the interior areas and accommodation of any description is not available even on rent. The alternative is to descend to the level of general living conditions which may require considerable psychological adjustments.
- (e) Most areas lack minimum amenities which are available in larger towns and more forward areas.

7.4 Notwithstanding the special problems of backward areas, there is no adequate compensation system in the salary structure in most of the States except in those cases where special allowances have been provided traditionally as in Arunachal, Andaman, Leh, etc. The problem is particularly acute in the States which have sizeable hill and tribal areas and which are themselves economically backward.

7.5 One of the main problem in developing the backward areas would appear to be the unwillingness of the administrative system or the technical expertise to move to these areas, study the problems at first hand and find the remedy. The Committee has found in its visits to the Blocks that large number of development posts in the backward areas are lying vacant. In the hill areas Seminar at Nainital, it was glaringly brought out that most dispensaries in the hill areas were without doctors. Even in a State like Kerala where comparatively speaking, where the backward areas are not so remote or in accessible, a study made by the State Planning Board has revealed that in Malappuram District, Seven out of the 13 General Extension Officers posts, 60 out of 117 Village Extension Officers posts, and 35 out of 59 Lady Village Extension Officers posts were lying vacant; as against this, a comparatively forward District studied by the Board, i.e., Ernakulam showed almost all the posts filled.

7.6 The Committee had noted with regret that a culture seems to be developing in the country with those who have got into the administrative and technical field that they are entitled to the best that the country can give. They should not be asked to move to backward areas. The Committee does not deny that there are problems of incentives and facilities which have already been dealt with. The main problem seems to be that the system refuses to exert. The Committee would like to make it clear that the country has a right to expect exertion from the development staff and technologists. A sociological pressure has to arise so that the needs of the backward areas can be met. The training institutions can also play an important role for creating a sense of dedication and awareness among the direct recruits. The

Committee has noted that the National Academy of Administration at Mussoorie has recently introduced a system where the direct recruits have got to work in the backward areas during their training period. This is no doubt a laudable innovation. This is, however, not enough.

7.7 More and more efforts would have to be made both at the political and administrative level as well as the educational institutions wherein younger generation entering the State services would have to realise that their responsibility lies more in serving their less fortunate brothers even though it may need more effort and discomfort on their part.

7.8 The problems of personnel can be generally divided into three parts :

- (i) Personnel at higher level, generally belonging to all-India services or higher State Services;
- (ii) Personnel at the district level belonging to state services or junior levels in all-India services; and
- (iii) Personnel in local cadres.

The problem in each category is different and calls for a different solution.

7.9 The Working Group has considered various alternatives. One of the alternatives considered includes the question of creation of special cadres for backward areas. This suggestion has some advantages as well as some disadvantages. If a separate cadre is constituted, there may arise the problem of promotions as arise in the India Frontier Administrative Services and also problems arising from continued posting in more backward areas when the health and other circumstances of the individual may require a change. The choice of personnel have to carry the load of individuals who may prove to be unsuitable for the special assignment. Thus the flexibility in selection which is possible from the bigger cadre is lost. In the light of these facts, no rigid stand can be taken in this case for all situations and for all specialisations. For example, as an Integrated Areas Development Approach is envisaged and the blocks are intended to become the main hub of economic activity, one could think of having a cadre of Block Development Officers specially for the backward areas. Similarly, in view of the persistent unwillingness of medical personnel to move not only in the backward areas but also even to the normal rural areas, it may be useful to create special cadres. This would, however, be a temporary solution to the problem. It would be necessary to build in provisions for their integration with the basic cadre so that after satisfactory service in the backward areas, say, for a period of ten years, options are open for those persons to migrate to larger state cadres. This would, however, create its own problems at a later stage. In effect, this would mean the creation of special cadres within the bigger cadre with element of flexibility. While in theory this may appear to be attractive, in actual working it is going to create problems. Considering everything, the Committee is of the view that :—

(i) A suitable system should be devised to ensure that the selection of officers is based with a view to

posting such of them in backward areas who could take up the challenge of difficult work and who have requisite sensitivity, aptitude training etc. The selection would have to be institutionalised at all levels i.e., State, District, C.D. and Block. It is suggested that this aspect should be brought to the notice of all the Central and State level institutions where direct entrants, who, in due course, are going to occupy the supervisory positions, are trained, so that they should be in a position to select the best material who are capable of taking up the challenge of this difficult work. They should be given adequate reorientation and training in the institutions itself.

(ii) Considering the amenities and facilities available in the backward areas, barring perhaps the district headquarters and some other big towns, and the general reluctance observed on the part of the supervisory officer to get posted to backward and inaccessible areas, steps should be taken to amend the service rules to make it compulsory for each future direct entrant to serve for at least 3 years in the areas which are specially identified as backward.

(iii) As far as possible, barring perhaps the senior administrative and supervisory posts, where experienced officers would be necessary, direct recruits, after suitable training, and some experience should be posted to the backward areas as in their case the children's education and health problems would comparatively speaking, be much less, at least to start with. They should not be kept for more than 3 to 5 years in the backward areas and an incentive should be offered to them that, on satisfactory completion of their tenure in the backward areas, they would be given posting to a station of their own choice.

(iv) Where officers other than those taken at the direct entry; e.g., either promoted within the cadre or promoted from other cadres are posted, it should be ensured that the first posting on promotion is to the backward areas. In case any reluctance or diffidence is found on the part of the officers so posted, service rules should be so amended as to deny them the promotion for a requisite period leading to loss of seniority. This is nothing new and is even now a part of rules governing promotion to cadres transferable to any place. The incentive of giving them a station of their choice should be available to them as in the case of the category mentioned at (iii) above.

(v) Attempts should be made to recruit the field level and other similarly placed workers from within the project area to the extent possible. All new recruitments should be made, at least district-wise, of such lower cadres. If necessary special training courses should be organised for local people to enable them to compete for posts in development administration.

(vi) Travelling allowance rules should be suitably amended to provide an incentive to the personnel to move on foot or on cycle in remote areas. This is essential as unless the personnel are encouraged to move on foot or cycle and live among the people, they would neither understand the problem nor find a remedy to the problem even though required technology is available.

(vii) Officers posted to backward areas should be allowed special study leave over and above their normal entitlement to undertake study work or research work in academic institutions in these areas.

(viii) As lack of housing facilities is one of the biggest bottlenecks to inhibit the staff moving to the backward areas, it is recommended that the State Governments may give the topmost priority in their existing Plan programmes, and make specific provisions, for housing accommodation in the backward areas, particularly at the block and the project level. This should be done as a phased programme, the target being to provide housing accommodation to all the staff at the block and project level during the next five year Plan period, taking into consideration the existing facilities.

(ix) Steps should also be taken to ensure that funds are available for providing office accommodation wherever it is not available at present.

(x) There should be at least one good College and a good hospital in each District. The College should have hostel facilities. They should be taken up as a priority item. The Committee feels that it should not be difficult to find adequate funds from the existing Plan provisions under these Departments to provide adequate education and medical facilities in these areas.

(xi) Change in medium of instruction at the school level often creates problems for transferable officers. Wherever such a problem exists, efforts should be made to establish Central schools so that children of staff working in the backward areas do not suffer when they get posted out to areas where the medium of instruction is in a different language.

(xii) Medical facility need to be improved. The field officers should be allowed the use of departmental vehicles for carrying patients to such hospitals where specialised treatment is available in case the existing medical facilities at the place of posting are not adequate.

(xiii) The Committee has observed that in most backward areas large number of dispensaries and primary health centres are without properly qualified medical officers, particularly the hill and tribal areas. The Committee would recommend that newly recruited medical officers should be posted to the backward areas and it should be made a term and condition of their service at the time of recruitment.

7.10 The Committee would like to emphasise that no amount of rules, regulations, incentives etc. are going to provide the solution to the problem of adequately manning the posts in the backward areas, unless Governments in the States, strictly ensure that postings of officers and staff to the backward areas, based on a rational and logical approach are not cancelled, whatever be the pressure, political or otherwise. The Committee has noted with regret that politics have started playing a very crucial role in the matter of transfers. In this context, the Prime Ministers' observations in her communication to the Central Ministers are very relevant :—

"I am told that many MLAs show undue interest in transfers. This means that Ministers spend considerable time in deciding the posting and transfers of

officials. This is getting our Party a bad name and is affecting the efficient functioning of the administration. While it may be necessary for Ministers to keep a close watch on postings to sensitive and important posts, this work or other routine postings should be delegated in so far as possible to others in the hierarchy.

Another matter requiring attention is the need to restore discipline in the administrative machinery so that transfers are not circumvented by officials through the help of politicians. If officials approach political figures it compromises and undermines their ability to function objectively and impartially. Instructions already exist that the Government servants including teachers and semi-Government and Public Undertaking's employees should not resort to political pressure regarding their transfers and postings. These instructions need to be reiterated emphasising that a serious view will be taken against those who flout them. M.Ps, M.L.As and MLCs must be firmly told to exercise self-restraint in this matter. Ministers on the other hand must withstand all such pressure from political and other public figures."

7.11 The Committee would like to urge strongly that once a policy is laid down for posting of officers and staff and posting orders issued in this accordance with this policy, these should not be cancelled or postponed, save in exceptional circumstances.

7.12 It is quite possible that the rationalisation of organisational structure and personnel in each project area may reveal considerable spare capacity in the organisations. This can be used for the additional work load likely to be created by the new developmental work effort. Much spare capacity may particularly be available at lower level because each organisation at present is trying to reach the field level through an independent hierarchy even though all of them may not have adequate work load in the sparsely populated backward areas. However, the same logic leads up to the conclusion that higher level technical expertise may not be available. Each functionary may be looking to the district or the regional level for guidance in its respective field. The greater work load at the Project level, therefore, may require upgrading of certain senior level posts. Since the Project Authority is being conceived as a fusion of different technical units, strengthening of structure may require creation of higher level posts in the technical cadres of the respective departments at this level. It is suggested that technical officers working in the project area should be on the regular strength of the respective cadres. There should be no deputation of officers to the project authorities. The requirements of additional personnel in the IDP area should be met by suitably upgrading departmental posts adding to the regular cadre strength of the concerned technical department at an appropriate level.

#### *Training*

7.13 The necessity of suitable training programmes for officers and staff working in backward areas has been recognised for long. A number of institutions are conducting reorientation training programmes for officers working in areas which are likely to be classified as backward. It is, however, felt that in the

absence of proper evaluation and follow up programmes, training in a number of cases has got routinised. Each institution, and each state appears to be moving in isolation. Training programmes for officers are sporadic and are not followed in all cases. The whole training programme for backward areas need to be reviewed and reinforced at the national level.

7.14 Officers working in backward areas, particularly in tribal and hill areas, are, many a time, not conversant with the local language. This results in a deep gulf between the administration and the people. Extension of any kind cannot even be imagined, in the absence of an easy communication channel, between the extension agent and the people. There used to be a practice of giving incentives for learning a local dialect. However, even where this practice exists, dialects recognised are few in number. There is no arrangement for proper examination. The Committee would recommend :

- (i) Proficiency in the major tribal languages, should be insisted upon in case of all officers posted to the tribal and hill areas. A cash reward of Rs. 5,000 should be given to every officer who attains the required proficiency.
- (ii) Tribal Research Institute in States should make arrangements to impart training in the tribal languages, and have a proper standard for judging the proficiency of the officers.
- (iii) Major dialects in the tribal areas should be treated on the same basis as tribal languages.

7.15 It is felt that incentives by themselves will not be sufficient. There should also be an element of compulsion for learning tribal dialects. Every individual who joins a local cadre, should be expected to learn the local dialect within a period of one year. This should be incorporated as a condition of this appointment. Failure to learn the dialect should automatically result in termination of his service. Officers belonging to State and all India Cadre posted to these areas should also be expected to learn the local dialect within one year. In case of failure to

do so, an adverse entry in their character roll should be made and further increments may be stopped.

7.16 Training institutions, while accepting the training responsibility, must recognise their limitations and strive to make up for the same. One obvious method is for them to invite senior, even if retired, subject matter specialists and general administrators as guest lecturers for the course. While this may be necessary and desirable, the training institutions must take care that lectures by the guest lecturers do not become unconnected discourses. For this purpose, senior faculty members of the training institutions should make it a point to be present and actively participate in the discussion when a guest lecturer is speaking so that these lectures are properly integrated into the whole course.

7.17 Above all, the training institutions must look at the successive training course for feed-back of experience and enrichment of its teaching materials by the variety that different districts and areas present. The training institutions should arrange for a systematic record of discussions and collection and collation of empirical material brought by the trainee participants. This is one method of research support that the training course will need. Another method to bring about a more practical orientation to the training is for the institution to undertake projects contracted by State Government and be instrumental in evolving an evaluation and monitoring structure which may be somewhat objective and functional.

7.18 Special courses on tribal culture, hill area culture and on problems of backward area development should be made a part of the curricula of training at the entry points for States, Central and all-India services. For those not having undergone these courses, orientation courses should be organised. Refresher courses should be a regular feature and so also the in-service training.

7.19 Adequate arrangements should be made for training of all personnel in the project in particular discipline which is more practical than theoretical. Refresher and in-service training should be an important feature in this case also.

## 8. FINANCING AND BUDGETARY CONTROL

8.1 One of the most important bottlenecks in the execution of the developmental programmes, particularly in the backward areas like tribal, hill etc. is the procedure for allocation of funds and the time-lag in reaching the last operational point. In every plan, this problem has been discussed and the general remedies have also been suggested. Some of the basic weaknesses have also been identified from time to time. The Administrative Reforms Commission, the National Commission on Agriculture, the Irrigation Commission and a large number of Special Committees, task forces and evaluation studies have brought out in detail the structural, procedural and institutional weaknesses and suggested specific remedies. Inspite of all this, there has been on significant improvement in the level of performance, particularly, as stated earlier in the areas which are backward and in-accessible.

8.2 Bulk of the development programme in the early phases of the backward areas would have to be agriculture-based. It is necessary that the procedures are fully geared to the needs of agricultural requirements. Many of the backward areas, have only one agricultural season. The rainy season in many cases starts in the second half of June. Therefore, advance action for agricultural operations is to be initiated say, by February or March, for the agricultural season starting from the middle of June and lasting till the end of September or October. Budget is passed in the month of March and seldom reaches the field level before the end of September or October. Thus, even with maximum speed the preparatory period for the agricultural season is lost.

8.3 The situation further worsens because the period April to June is a period of large scale transfers and posting coinciding with school vacation. The urbanised personnel find it most convenient to move during this period. It has also been noted that the rate of change of personnel is considerable and changes thus get concentrated in a few months only. The field teams and crucial links therein get broken at a critical juncture. This leads to considerable dislocation of developmental efforts, particularly in agriculture in the more backward areas. The result, therefore, is that under the existing system of budget while some progress is made in those programmes which are started by September or October, the progress in agricultural programmes is extremely slow. The former programmes are generally "works" which do not have much direct benefit initially to the local community. Even in these programmes, the more backward areas are at a greater disadvantage because of shorter working season and greater inaccessibility. These areas get opened up during the end of October or even by November. Effective working season, therefore, lasts only 3 to 4 months. The working season of the few

months after 31st March is also generally lost because of non-availability of budgetary allocation. Special procedure has, therefore, to be devised so that funds are available during the operational season. For expeditious developmental effort, in the backward areas a mechanism has to be evolved so that the adverse effect of the financial year ending at an inconvenient time in the working season and the time lag in allocation which results in the loss of full agricultural season in these areas can be remedied.

8.4 Then there are the elements like the process of technical and financial scrutiny before a new scheme is taken up. In many cases schemes are included in the budget as non-scrutinised items with the result that even when financial provision is available in the Budget, it can be utilised only when the administrative departments give their clearance. In the case of continuing schemes also, considerable effort is involved in getting this clearance. Another element is inherent time lag in the very physical process of issuing sanctions after the budget is passed on the 31st March and its passage through a number of intermediate levels in the hierarchy. State Governments release funds to the Head of the Department who, in turn releases it to the next level in the hierarchy and so on. Thus, sanctions may have to be passed through 3 or 4 stages before it reaches the execution point. In case any issues or questions are raised even though formal, at one of the many levels, the whole process may get retarded. These will require to be tackled and special procedures devised. The very concept of a Comprehensive integrated development project has to be evolved that it helps in removing the root cause of delay.

8.5 Then there is the question of the allocation of funds to various sectoral programmes controlled by different sectoral authorities and its further disaggregation to Districts and to Projects. Experience has shown that most of the programmes sponsored by the Union or State Governments tend to be framed on certain pre-determined formulae like specific outlay per block, per District or per project. In the new concept of total planning each area, such an approach will be inappropriate, particularly when attempt is made to incorporate the entire developmental effort of all organisations. Since the coverage of areas and programme spectrum under different schemes is not the same and cannot be expected to be uniform during the entire plan period, the role of the supplementary programmes in these areas would be very important.

8.6 As pointed out earlier, mere allocation of plan funds and budgetary resources is not enough. The existing procedures are so time-consuming that by the time the field functionaries are in a position to execute them, the year is out. The departmental heads are naturally anxious to utilise the funds allotted to their

departments and this results in their diverting the funds for programmes for which these were not originally intended. A mechanism has, therefore, to be devised not only to cut down the delays in issuing the sanctions, allocation of funds but also to ensure that adequate powers are available at the field level and reappropriation, if any, are not done to benefit the non-backward areas out of the funds intended for the backward areas.

8.7. Financial investment for Five Year Plan period are indicative of the broad dimensions of the likely total effort in each sector. Concrete investment decisions get reflected in the budget of the year to become operational. Further, bulk of the Plan budget in a year, by and large, represents continuing schemes and the new investment generally comprise only a small part of the total outlay. The situation is somewhat easier at the end of the Five Year Plan period when all earlier plan schemes get committed to the non-plan side and new Plan starts with a substantial number of new schemes.

8.8 Even if the project requirement based on the local needs of the people become available, it becomes difficult to change the investment pattern drastically because of the involved budgetary procedures. One of the most important constraints in building up the Plans from below is the time schedule prescribed for presentation of State Plans, finalisation of the Sub-Plans and incorporation of old and new items in the State Budget. In fact, the budget discipline is crucial for determining the structure of investment in any year. The discipline of planning gets reflected only gradually and that too in terms of broad sectoral outlays. The experience in the case of integrated tribal development project has shown that in the first year 1976-77, the sub-plan could be finalised at the State level only in the month of April, after discussions with the Planning Commission. Further, considerable divergence took place between what had gone into the project and what was finally approved as the Annual Plan. The involved procedure for change after the budget is passed, made it difficult to correct this anomaly although some attempts were made to that effect in the supplementary budgets. In the second year, that is 1977-78, the Sub-Plan got finalised along with the State Plan. This helped to some extent reconciliation of the budget provisions and plan outlays. Even here the Sub-Plan had to share the inherent limitations of the State Plan in so far as budgets are required to be prepared even before the State Plan gets finalised and approved by the Planning Commission. Further, the State Sub-Plan were prepared at the State level itself with whatever information could be provided by the field formations. The disaggregation of the States Sub-Plan project-wise in the second year clearly brought out the divergence between what was the need of the area and what could be expected to reach there.

8.9. The Five Year Plans set the outer limits of finance for each sector, but, in actual practice, a renewed effort is made by each sector to gain much further ground as possible at the time of the Annual Plans. Moreover, the Annual Plans of the State get substantially changed depending on the resource position.

The size of the Annual Plan drafts, therefore, are pitched at a substantially higher level than what is finally agreed. This creates some difficulties for a realistic projectwise plan. The common argument is how is it feasible to plan unless the outlays are finalised.

8.10. Another important problem noticed is that even when plan funds become available, the real problem arises for provision of non-plan funds as the plan works on completion of the Five Year Plan become committed, and have to be financed out of non-plan funds. It has been found that the maintenance of assets already created and utilisation of existing institutions leaves much to be desired. Instances are not lacking where new buildings and institutions have come up without even caring for the old ones which result in considerable wastage of resources and also produce a sense of irresponsibility in the administration. This situation has arisen because of an artificial distinction between the Plan and non-plan activities under the plan where the non-Plan activities remain inadequately provided. Flexibility will, therefore, have to be provided to ensure that adequate funds are available for maintenance of the assets and institutions created with Plan funds.

8.11. The Committee has given considerable thought to some of the problems regarding the implementation of the development programmes so far as they relate to financial and budgetary control and they also had the benefit of discussion with large number of officers in the field and in the States. The Committee's approach and recommendations to overcome these problems is contained in the succeeding paragraphs.

#### BUDGET PROVISION

8.12. The Committee has taken note of some of the experiments tried in various States. In some States like Madhya Pradesh, Gujarat, etc. there is a major demand in the budget for the development of tribal areas which exhibits at one place the entire outlay for the development of tribal areas under one demand for presentation for sanction to State Legislatures. An attempt on some-what similar lines has also been made in some States in respect of the Command Area Development Programme. The Comptroller and Auditor General has also agreed to such an arrangement in some States in which the provision of all the functional major budget heads are grouped under one demand and it is this demand which is presented for sanction to the State Legislatures. The Committee was also apprised of the arrangements made for allocation of funds in the budget in Andhra Pradesh under the "Six-point Formula" for the development of Telengana region etc.

8.13. After examining the various systems introduced in some States the Committee would suggest the following budgetary approach for bringing in greater local involvement in the planning and implementation process for backward areas development. The main objective the Committee is seeking, is to gradually transfer to the planning and implementation unit at the project level larger and larger amounts every year which will be amenable to their control in planning

their own area development. Another objective that the Committee has before it is to ensure that our intention to divert divisible developmental budget for the benefit of every project in the backward area, really gets translated in implementation and the funds so promised in the Plan and the budget at the beginning of the year does not get diverted to the non-backward areas. The methodology the Committee as suggested may not be fully acceptable to every State because of the present constraints and its budgeting methodology. It is hoped that sufficient changes will be brought in by every State in their budget methodology to ensure that the two basic objectives of the Committee has in view are achieved.

- (i) Under each major demand for the various development departments, a minor head shall be provided taking on the divisible share under each type of backwardness. There should be a convention of the Planning Department checking that such funds shown against any type of backwardness are not reappropriated to any of the other heads in either the minor or the major head of the department.
- (ii) There shall be a major demand for each type of fundamental backwardness, for example, tribal, hill, drought prone, desert, chronically flood-affected and coastal areas affected by salinity which may be accepted as categorisable as backward. Under this budget will be brought together—
  - (a) the annual amounts under the sub-plan of the various departments to be transferred for local planning, as recommended in paragraph 8.14.
  - (b) The special funds allocated in the State budget and in the Centrally sponsored budget for ameliorating the conditions in that category of backward areas.
  - (c) The proposed special additive of Rs. 5 lakhs which will be available for local planning and implementation, under each block of a project area under that type of backwardness.
- (iii) The disaggregated budget provision indicated under the minor heads of the major demands as expendable under each type of backwardness, would continue to be operated upon by appropriate administrative departments in the normal way. A convention will be established that the department will have no authority to reappropriate the funds earmarked for the development of backward areas whether within the backward areas or to other non-backward areas without specific approval of the State Department in-charge of monitoring and policy formulation for development of backward areas.
- (iv) The controlling officers of the administrative departments will have the responsibility for preparation of budget estimates, submission of revised estimates etc. Disaggregated

provision under the minor head under each class of backwardness will naturally have several sub-sectors relating to various plan programmes of the departments in the backward areas. The administrative departments should have the power to reappropriate funds within each project area under the broad type of backward area from one sub-sector to another sub-sector so as to ensure that overall surrender of funds, that the project area is entitled to, is avoided as far as possible.

- (v) The Planning and implementation organisation at the block level and the district level will have to formulate the integrated development plan for the allocations under the minor heads for the various types of backwardness, along with supporting or modifying plans fully under the control of the project authority for which funds are provided under items (b) and (c) of paragraph (ii) above. The intention is that gradually a rapport will be established between the development departmental plans to fit in with local aspirations and requirements in the interest of maximising development and helping the poorer sections.

#### *Project fund for local planning*

8.14. Even though the divisible part of the State Plan is allocated to the projects, the sheer inertia of on-going programmes will leave very little scope to the local planning group to adjust the funding to local requirements of an integrated development approach at the local level. Special steps will, therefore, have to be taken to force gradually a discretionary allocation to the local planning and implementation group to enable them to bring in local planning of greater and greater magnitude gradually. In the first year of the Plan, it may not be possible for the States to adjust their budgets to allow for this local diversion. But from the second year onwards, starting with 10% of the divisible amount and gradually increasing by 10% each year and reaching 40% in the fifth year, out of the divisible allocation these amounts will be given to the local planning group for their planning and implementation.

8.15. It has also to be borne in mind that apart from the time required for preparing projects and programmes, the process of financial and technical scrutiny before a new scheme can be taken up, is quite time-consuming. Then there is the problem of delay resulting from the effect of sanctions being required to pass through a number of levels. It is necessary that the IDP is enabled to execute its plans according to a long-term plan of action without any interruption. In the new scheme one of the important pre-requisites is that the total outlay for the comprehensive development project will be clearly defined and the annual plan size is decided when the Annual Plan of the State is finalised. A minimum level of investment has to be assured to enable the project authority to plan well in advance. Each CDP has, therefore, to be given some general purpose ways and means advance from the State Budget on the 1st of April every year.

8.16. The Committee would recommend that 25% of the departmental outlay covering the expenditure in the first quarter of the new financial year based on the budget provisions made by the department concerned and approved by the State legislature may be released immediately the budget is approved by the State legislature to the Authority, without waiting for the formal sanctions to be issued by the concerned departments. This would enable the Authorities to maintain the continuity of the ongoing approved programmes without any interruption and would not have to await the receipt of formal sanctions from the concerned departments. Issue of formal sanctions does take time. This procedure would avoid loss of any working season. In case there is delay in issue of sanctions for more than three months, more funds could be released in advance of the second quarter.

8.17. The Project authority should be given power to sanction any new scheme from the proposed project fund for local planning recommended in para 8.14 on the advice of the Board of Management and subject to the following conditions :—

- (i) No recurring liability should be created for Government unless the concerned departments has undertaken in writing to run such schemes or projects after the Sixth Plan period;
- (ii) the revolving fund for loans created from this fund should not be more than 20 percent of each year's provision;
- (iii) technical approval of the District Officer concerned should be obtained before works are approved from this fund.

8.18. The schemes undertaken under this provision will become part of the normal ongoing programmes so that 10% funds are available every year for taking up new programmes/schemes in the subsequent year. This experiment has been tried with great success in Gujarat and has helped in the formulation, implementation and subsequent adoption of a number of schemes suited to local field conditions.

8.19. Each project will have the following types of funds :

- (a) its share out of the Sub-Plan for the development of backward areas;
- (b) Special funds allocated in the State budget and in the Centrally sponsored budget for ameliorating the conditions in that category of backward areas;
- (c) annual amounts under the Sub-Plan of the various Departments to be transferred for local planning as recommended in para 8.14;
- (d) The proposed special additive of Rs. 5 lakhs which will be available for local planning and implementation under each Block of a project area,

The size of the outlay in respect of (a) and (b) above for each project be decided after careful disgregation of the total Sub-plan outlay. The disgregation should not follow a rough and ready or ad hoc formula. The level of investment in each project should depend on the level and special development requirements of critical and priority sectors. Once the overall outlays for each project have been determined, there should be flexibility for using the resources in the best interest of development and the local area and people. This would however, take time. Pending such time as this exercise is carried out, funds under (a) and (b) would be placed with the project authorities in accordance with the programmes already drawn up or approved by the department concerned. So far as (c) and (d) are concerned, the project authority would have full control to take up any activity which it likes subject to the conditions laid down in para 8.17.

#### **PLACING OF FUNDS WITH IDP**

8.20. The IDP authority would be expected to prepare its own programmes and plans, which should be sent to the concerned Department after due approval by the local Board of Management. Once the scheme and programmes have been approved by the competent authority at the State level, the IDP authority should be given the total outlay relatable to the project areas for the schemes approved therefor. They would, of course, have to be given policy guidelines by the State in preparing programmes to be undertaken by them but they should have complete freedom and flexibility to work out their own priorities.

8.21. In view of the fact that the project plans would have been prepared by the concerned IDP authority and sanctioned by the competent authority with reference to the resources availability, there may not be many occasions for substantial intersectoral changes. However, since the pace of implementation in different sectors may vary, marginal changes may be necessary.

#### **UNUSED FUNDS**

8.22. Whatever efforts may be made and instructions issued, experience has shown that it takes time, at least, in the first year of the project to issue sanctions etc. and invariably there are savings at the end of the financial year. The Group has considered several alternatives as to what should be done to get over this situation. Several suggestions have been made. Some of these are constitution of the project authority as an agency registered under the Societies Registration Act, creation of non-lapsable fund, availability of at least a part of the savings and adding it on the next year's budget etc. It was also brought to the notice of the Working Group that the Government of Maharashtra had decided to treat the outlays for tribal sub-plan as non-lapsable. A practice is being introduced according to which the Government will purchase securities for an amount equivalent to the shortfall in the expenditure in the sub-plan area during the financial year. These securities will be encashed in the following year and will become available for investment in the tribal areas. This arrange-

ment has been approved by the Maharashtra Legislature. Another innovation introduced is by the Government of Madhya Pradesh where a convention has been adopted that an additional amount equivalent to 50% of the shortfall in the previous year will be automatically available for investment in the tribal sub-plan in the succeeding year for which provision would be made by the State in its first supplementaries.

8.23 After due consideration, the Committee feels that while a mechanism has to be devised that the savings in the particular year do not lapse and are available to the IDP, if not whole, at least substantially, in the subsequent year, it is not in favour of the innovation introduced in Maharashtra. Nor, it is in favour of the IDP being registered as a registered society, even for the limited purpose of the funds being placed at its disposal to avoid being lapsed as it is neither feasible nor desirable for the entire Government funds being placed at the disposal of a registered society even though government servants may be the controlling authorities in the agency. It is true that an institution like a registered society does provide some sort of flexibility and would also be in a position to take care of the savings, at the same time the possibility of other abuses creeping in cannot be ruled out. Experience has shown that an autonomous agency instead of being flexible, sometime become more rigid than a Government department. As they would have no fear of funds getting lapsed at the end of the financial year, there may also be general inertia and no enthusiasm in implementing the programme. The best course would appear to be:—

- (a) efforts should be made by the Coordinating/Administrative Departments in the State to enjoin on the Project authorities to utilise the funds placed at their disposal for the purpose for which they are intended and a close watch kept on the savings with a view to fixing up responsibility.
- (b) 50% of the savings in a particular area may be allowed to the project authority as an addition in their next year's budgetary allocations, if necessary, through a supplementary grant, and
- (c) Inter-Sub-Sectoral adjustments within the project area to avoid savings.

#### CENTRAL FUNDS

8.24 The Central funds should flow to the project authorities through the State budget as a part of the Plan outlay. The Project authorities should not be required to render separate accounts in respect of the programmes controlled by the same Ministry. They should however, keep separate accounts in respect of funds sanctioned by different Ministries and also prepare performance report in respect of each programme.

8.25 As development of backward areas has to be expedited, the Committee is of the view that a special allocation of Rs. 5 lakhs per year for each block in

a project area for the Plan period should be available as a special additive. The Committee also appreciates that a new project approach cannot be imposed all over the country as a one time operation. In order to enable the State to adjust their organisational planning and implementation structure to the new requirements, the project approach will have to be phased for the five year of the plan period. It is suggested that about 600 blocks may be taken up in the first year and the programme phased to absorb all the backward blocks by the fifth year of the Plan. The Committee will try to work out some of these details as is possible in the final report.

8.26 A question may arise as to whether the existing funds available for the development of backward areas are adequate and whether a supposedly paltry addition of Rs. 5 lakhs per block per year would be enough to meet the requirements of the development of the backward areas. Any developmental programme has necessarily to be phased, keeping in view not only the resources but also the capacity of the administrative structure and the absorbing capacity of the people of the area. The Committee has observed in its visit to the Blocks that while the funds of this order have already been allocated, the actual utilisation has been very poor primarily because of the lack of proper administrative structures. A Rs. 5 lakh addition will, therefore, take a lot of implementation. In case the utilization of funds and the absorption capacity increases, the question of providing more funds could be reviewed, in special cases.

#### SIZE OF IDP OUTLAYS

8.27 The size of investment in each of the Integrated Development Project will need to be determined as soon as the State and Central Sub-Plans for development of backward areas are ready. As already pointed out, there is a general tendency on the part of the Union as well as State Governments to frame programmes on certain pre-determined formulae like specific outlays per block per district or per project. In the new concept of total planning for each area, such an approach will be inappropriate particularly when attempt is being made to incorporate the entire development effort of all organisations. Since the coverage of areas and programme spectrum under different schemes is not the same and cannot be expected to be uniform during the current plan period, the role of the supplemental programmes in these areas would be very important. It has already been suggested that at least 10% of the sectoral outlay in each department for the development of backward areas should be made available to the project authorities for taking these supplemental programme. It has further been recommended that at least 25% of the budgetary outlays should be made available as a ways and means advance to each project in order to avoid likelihood of delay for routing the outlays through the State Governments and their merger with the general resources flow at the IDP level. While the Committee has not favoured the idea of a Project authority being registered as a society; it is not opposed to the project authority being registered as a society for the limited purpose of receiving this ways

and means advance for a specific programme from a Central or State level organisation, in case it is found that it is not possible to provide such a ways and means advance or to create a nucleus fund with project authorities because of the budgetary requirements. This should be done only as a last resort and if it is not at all possible to provide this ways and means advance otherwise.

8.28 The Committee would also recommend that the size of the outlay for each of the IDPs should be decided after careful discussion of the total State Sub-Plan outlays for the development of backward areas, both at the State and at the Central level. The dis-segregation should not follow a rough and ready or ad-hoc formula. The level of investment in each IDP should depend on the level and potential for development and requirements of the project as determined by the project authorities, based on their needs and capacities of the people and the administration. The absorption capacity of the area covered by the project would, however, have to be kept in mind as an important constraint in deciding the level of investment.

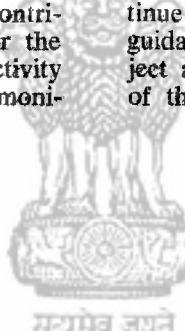
#### *ACCOUNTING PROCEDURES*

8.29 Integration of programmes and outlays at IDP level would require a clear accounting procedure, which should be satisfactory to all sponsoring authorities about the utilisation of their respective contribution in the project areas and also provide for the necessary feed-back in relation to the sectoral activity for which they are responsible. Even general moni-

toring and progress reporting system would have to rely heavily on the accounting procedures and practices developed for executing the new strategy. A strong accounting cell would seem to be a must at the project level. This cell should not only be responsible for primary account keeping but devise a reporting system which satisfies the sectoral authorities. It should also advise the project authorities on financial matters and help them in monitoring the flow of funds from different authorities and in regulating it below the project level.

#### *INSTITUTIONAL FINANCE AND OTHER NON-GOVERNMENTAL RESOURCES*

8.30 This question has already been referred to in Chapter 4 "Methodology of Central and State Plan Allocations". The present chapter discusses only the governmental provisions. As mentioned in Chapter 4, institutional and local body resources are going to play a very important role in the development of the backward areas. Credit requirements from these resources are, however, not being discussed at present as the Committee has decided to await the Report of the Reserve Bank of India's Committee Arrangements for Institutional Credit for Agriculture and Rural Development. In any case, as the basic approach is to allow the existing agencies and institutions to continue to function, as hitherto, under the overall guidance, direction and superintendence of the project authorities, the same would hold good in respect of the local institutions working in the project area.



## 9. PEOPLE'S PARTICIPATION AND PROMOTION OF VOLUNTARY ORGANISATIONS

9.1 The draft Fifth Plan draws attention to the phenomenon that two areas of the country with similar endowment of land, water and climate, showed different rates of productivity in agriculture and has suggested that this phenomenon has to be probed. Socio-logical and socio-economic forces play a very important part in activising or retarding growth. Communities in the rural areas are rarely very mobile and may remain ignorant of the opportunities for growth that world technology and man's ingenuity has made possible elsewhere. Studies have shown that rural communities rarely come together on economic grounds; some catalyst has to be engaged. As a consequence, when we are trying to build up the rural economy and involve every family in the development, methods have to be found to get over this inertia. The Planning, Fiscal and Administrative structure, we have described so far, is the administrative response to the problem. The catalyst is the field worker in the structure at the lowest levels, supported by a hierarchy of supervisors, advisers and trouble shooters. The capacity of this structure to deliver the goods is the capability of the lowest levels to translate instructions into action. Ordinarily, it is found that the structure can implement only well thought out simple programmes and would fail where quick responses to field problems is required. Motivation is generally absent and it is only the inertia of a well oiled structure that delivers the goods. Such systems rarely can tackle the basic problems of human and group motivation. Such motivation has to come from within the people's leadership or voluntary associations who have taken to this task as a life's purpose. Such voluntary bodies, where available, are often the leaven for the development of the potential of the people and the area. The other, of course, is the individual urge for his own economic betterment which often stands in the way of the poorer section getting a fair share out of the growth. That cannot be our way. It has, therefore, been accepted as a part of the development process in the country that voluntary agencies must be encouraged where available to innovate and carve out a path in the environmental jungle for the average administrator to follow. The Planning Commission had given the task of finding a frame for voluntary agencies to work in the developmental structure to a group of administrators and representatives from well known and effective voluntary agencies.

9.2 The Report of the Task Force on 'Voluntary participation in Rural Development' has been before the public for quite some time. The Committee recommends that involvement of voluntary agencies as 'pathfinders' in the field of rural development is a necessity and ways and means have to be found to involve them in this task. Given the lead, the Committee are certain that these bodies can find out the methods of breaking through individual and group

apathy to their own development and establish norms for the administrators for handling the exploitative forces in the field.

9.3 The Task Force has recommended that voluntary agencies can help in the following fields :

- (a) Preparation of meaningful plans of rural development, particularly those where the families have to be involved in their own uplift;
- (b) Voluntary agencies can take responsibility and implement a part of or the whole of an integrated development programme in an area.

The planning, fiscal and administrative frame for such involvement has been spelt out in detail by the Task Force and the recommendations have been extracted in Annexure to this Chapter. The Committee fully endorses the frame of action and fiscal and administrative support.

9.4 The Task Force had given predominance to the preparation of plans by voluntary bodies on the assumption that they can muster the top consultancy for this purpose. Secondary importance was given to the implementation of programmes. It was only postulated that if an agency was prepared to implement the plan they were prepared to draw up, they should be given the option of both planning and implementing. It was then accepted that there were not many bodies who can implement projects; but there was a large number of consultancies who can prepare plans. Hence, the emphasis on the planning and not on implementation. In actual practice, it has been found that such plans have no depth. The agencies depend on facts that have been culled out from various statistics maintained at the field, much of which was not up-to-date. They have no experience or opportunity to understand the socio-economic forces at work and plans are stereotyped. We have already drawn attention to the need for local knowledge and local adaptation of the programmes to avoid environmental pitfalls and this is best done by a pervasive local organisation. Barring voluntary organisation which are already implementing field programmes and as such are able to assess the grass root problems consultancies which are pure academic bodies can rarely fulfil our purpose. The Committee, therefore, recommends that too much emphasis on general academic consultancies for preparation of such integrated plans may be abandoned. Only bodies with field experience in performance of programmes may be inducted for this purpose. Such organisation are no doubt few.

9.5 Since the Task Force undertook the task of giving the frame, much experimentation in integrated rural planning involving families has been adopted in

the several parts of the country. Of these, the 'Ultragram' frame further refined, as explained elsewhere, appears to be best suited for our purpose. Such a planning has to be done by the administration and the planning organisations at the block, district and the state level. In our anxiety to cover the entire country in a short time, the mistake of accepting any plan has to be avoided. On a large scale the Ultragram approach suitably refined with a Growth Centre approach may be the best solution for the problem. Naturally, the form will have to be adopted to the administrative structure that a State finally adopts, subject, of course, to the basic concept being maintained.

9.6 Voluntary bodies' effectiveness will, therefore, be mainly in implementing a part or a whole of the area programme. Voluntary agencies which can handle a comprehensive integrated area and family-wise programme are few in the country and where available have to be nurtured. Most voluntary agencies deal only in sectors of development. Most of them start on education or health as the base and from thereon develop a comprehensive approach in slowly building up the institutions which can take over parts of the programme. The best example is that of the Vedchhi Pradesh Seva Samiti Valod in Gujarat. The health approach is significant in the Maharashtra experiment by Bhartiya Agro-Industries Foundation, Urli Kanchan. Formation of forest cooperatives in the hill areas of Uttar Pradesh is another example. Gandhigram examples and the voluntary agencies in Tamil Nadu and Bihar for improving the Bhoojan and Gramdan land, sugar cooperatives, cooperative movement in general particularly the Amul experiment and some small beginnings made by the Industrial Houses are other examples of this type.

9.7 Taking the most obvious felt need of an area, a dedicated voluntary agency, given the lead, can gradually develop an all round approach. This is a slow process and cannot be pushed, but the approach will bring out the various socio-economic problems to the forefront and advise the administration to find the correct remedies. The Committee recommends strongly that voluntary agencies where available may be used on their terms as to coverage, on the conditions in Annexure I.

9.8 Development depends first and foremost on the active and meaningful participation of people. Not mere consultation, but what is important is active involvement of the rural poor in selecting, designing and implementing of local development activities. The aim should be direct participation through their organisations in all phases of the development process. Since the majority of the people are still unorganised, it is essential to enable them to form their own organisations to attain these objectives.

9.9 Popular organisations are of the two kinds, the statutory like panchayati raj and the voluntary and *ad-hoc* like a group of farmers doing joint cultivation for productive cash crops requiring high investment. The Asoka Mehta Committee on Panchayati Raj has analysed the strength and the weakness of the Panchayati Raj system and has come to the conclusion that if our objective is the improvement of weaker section

of the community, Panchayati Raj has to be supervised by both social audit and performance audit and the responsibility for the performance audit should be with a group selected from the weaker sections. The arguments of the Asoka Mehta Committee brings out the basic conflict between the "Haves" and the "Have-nots" in rural areas. Extending the argument any voluntary organisation of "Haves" and "Have-Nots" together for balanced development is going to be counter-productive. What may be attempted will be peoples groups on functional basis including the weaker sections only, linked to well defined simple functions like village industries, animal husbandry etc.

9.10 A functional cooperative of the production group is the first response one often comes across. Experience in handloom cooperatives, fisheries cooperatives and forest cooperatives has shown us that running a cooperative is a complicated task and often the cleverer and the strong in the group exploit the rest by capturing the management under the legal process. Yet, where groups have been capable of forming such cooperatives and running them, this is the obvious direction of institutional development. Such organisations no doubt exist but a nation wide programme cannot wait for the formation of such institution. Meanwhile administratively the sheer impossibility of the field worker handing in detail individual members of the family-wise programmes necessitates an approach on a group basis of the beneficiaries of the weaker sections in a programme where a method can be found for the group to establish their contact leaders who can take the responsibility of putting forward the individual needs in the group and guarantees performances. The Handloom Committee (1974) had suggested such group formation of the handlooms, supported by an administrative structure where cooperatives are not possible. The Committee recommends that such an approach in other sectors of industry and growth may be worthwhile and can be tried. Incidentally the Benor system of training and visiting in the agricultural programme is a group approach through a leader of the group at the field level.

#### *Promotion of People's Organisations*

9.11 The best methodology would appear to be to identify small homogeneous groups of people and then weld them into a voluntary group. Steps should be taken by the block organisation to identify small homogeneous groups consisting of, may be no more than 30 to 50 families, whose needs and requirements as well as social position are about equal. This is essential to avoid confrontation between conflicting interests. There could be as many groups as necessary in a village. No restrictions need be put.

9.12 Once these groups are identified, they should be encouraged and motivated to form their organisations and to elect, from among themselves, their group leaders. No attempt should be made to impose any group leaders, from outsiders, however, dedicated and

motivated they may be, are likely to be looked upon by villagers with suspicion and distrust—a situation to be avoided at all costs. Not that expertise from outside is to be discouraged. Trained and selected workers would, in any case, have to come from outside to take all preparatory action, identification of poor families, motivate and promote the formation of voluntary groups, etc. What is to be discouraged is the outside organisations or workers working as group leaders—the first step in politicising.

9.13 Once these group leaders are identified by the people participating in the groups—whether elected or selected should be left to the discretion of the members of the group. Arrangements would, however, have to be made to train them in properly equipped institutions. On completion of their training, which, to start with, should not exceed one month or so, these group leaders would function as leaders of these groups and be responsible for highlighting their member's aspirations, needs and requirements.

9.14 Formation of such groups within a village or at the local level is just the very first step. Obviously, such groups cannot be very effective unless they get federated with a larger body. Also, the fact that the intention is to have only small homogeneous groups, the number of such groups in a 'block' would be very large. Group leaders should promote the formation of their members organisation(s) /association(s) at the 'block' level, where planning and implementation is to be actually done. These organisations, at the block level, should be properly constituted bodies as per the legal requirements. We would thus have at a sufficiently higher level a proper people's organisation which will be responsible for planning and implementing programmes, formulated by it for all the families covered by the block. Having opted for the block level as the best suited for production and distribution, the people's organisation at the block level is sufficient for our purposes of programme development. One safeguard has to be ensured that the representative of the group is periodically changed by the group so that vested interests do not develop.

9.15 There is a temptation to federate such block organisations into district and national level organisations. The Committee will strongly advise against such an approach. Past history has shown that rarely such federations have worked to the advantages of the field worker or the programme and has often been only national level facades for power politics which is least needed in the development of the weaker sections.

#### *Financial support to people's programme and organisations*

9.16 The standard system adopted in our country is to provide subsidies to individual beneficiaries, grant-in-aid for infrastructural development and financial support to voluntary organisations for supplementing their resources.

#### *Subsidies to individual beneficiaries*

9.17 Subsidies are provided, at varying rates, to individual beneficiaries to make the schemes viable and credit-worthy and also to act as an incentive to the beneficiaries so that they may obtain credit from co-operative and banking institutions for meeting part of

the cost of the schemes. Examples are minor irrigation schemes, both individual and community-based, land shaping and development, drainage, inputs, soil and water conservation, milch cattle and other animals, poultry, fisheries, farm forestry etc.

9.18 Experience of the working of these subsidies has shown that, often individuals are unable to take advantage because of the cumbersome procedures to obtain loan, before getting subsidies, delayed release of subsidies and, some times, subsidies not being released at all, leaving the works incomplete but at the same time burdening the individual with the liability of the repayment of the loan.

9.19 There should be clear-cut guidelines for the grant of subsidies to individuals. The basic principles for subsidies should be :

- (a) Schemes eligible for subsidy should have been identified by the village groups and approved by the voluntary people's associations at the block level. The rate of subsidy payable for each scheme either to an individual or in some cases for community works, should also be specified and approved by the voluntary association at the block level, taking into account the viability of the scheme and its likely acceptance by the credit institutions.
- (b) Funds for subsidies should be placed at the disposal of the block by the comprehensive Development Project and its administration completely left in the hands of the voluntary people's association at the block level.
- (c) There should be no bar to a subsidy being granted to an individual, irrespective of the fact whether he takes a loan from the credit institutions or meets a part of or whole of the expenditure, minus subsidy, from his own resources.
- (d) As far as possible, the subsidy should not be passed on to the beneficiaries in cash, but should either be paid in kind or related to the release of the loan instalments and paid to the institution from where the beneficiary has taken the loan.
- (e) As far as possible, subsidies should be paid in kind; even in such cases subsidies should be paid on behalf of the participants to the approved supplier or body or organisation supplying goods and services directly if the programme is not tied up with loans. In case, the executing authority is either the people's association at the block level or any other agency, the subsidy should be paid to the executing agency.
- (f) Procedures for appraising the schemes for their viability and grant of loan and subsidies should be streamlined so that the amount required is available in time for completion of the works. It should also be linked up with the availability of the required inputs, whatever they may be. The final adjustment of the subsidy should be done only

on the completion of the work and it need not wait until the release of the last instalment of loan.

(g) The success of this programme should be judged not just by the number of families identified and assisted, but by the number of families whose income has increased to such an extent as to enable them to cross the poverty line.

#### *Grant-in-aid for infrastructural development*

9.20 Such a grant-in-aid has been an essential feature of the strategy of community development or rural welfare or village development. Ordinarily, expenditure on essential services or infrastructure should be met by Government on cent-per cent basis but this, very often, results in certain programmes being imposed on the area without bothering about either the need or requirements of the community. By providing a part of the expenditure in the shape of grant-in-aid, the intention is to involve the community and give them a feeling of participation. Experience, however, in such cases has not been very happy because :—

- (a) Government grants-in-aid are normally channelled through local government bodies or local political representatives or local administration (district, sub-district, block level), panchayats, the latter being often assisted by a so-called advisory body composed of nominated or elected representatives of the local community, their representation being equivalent to people's participation in decision-making in the selection and implementation of local development projects.
- (b) Usually the administration sets certain criteria for the allocation of grants-in-aid to local communities, but, in practice, these are seldom applied; for it is not generally possible for a government, more so in the system based on democracies, to resist the political pressure likely to be generated by denial of such a grant to any community, even though in the earlier years the community might have failed to produce any results. Therefore, the line of least resistance is followed and the very limited amounts available for being given as grants-in-aid are more or less equally allocated among all the claimants, without reference to their past performance or any objective criteria.
- (c) Often political corruption can lead to arbitrary allocation of the grants of 'local bosses' as reward for political favours done to the leadership at higher levels of the political hierarchy.
- (d) Thus, the amount of grant available to any single community or village is generally too small to carry out any meaningful development programmes and hence, more often than not, most projects are either left incomplete or take an unduly long time, thereby boosting the cost thereof. This naturally results in dissatisfaction and disillusionment

in the local community and kills all their enthusiasm for providing the matching contribution.

- (e) Estimates of project cost and estimates of local contribution, either in labour or some other form, are often inflated with a view to securing larger grants-in-aid. As larger grants-in-aid do not often become available, in the ultimate analysis, works remain unfinished.
- (f) The character of these grants-in-aid programmes, because of their being channelled through the political system at the local level, leads to lack of any strict accountability in the expenditure of the funds and often encourages misuse of funds and corruption at the local level with adverse consequences on people's participation and credibility in government-sponsored programmes.
- (g) Very often maintenance of the assets created with the help of these grants-in-aids is forgotten, with the result that, even where the works are complete, they are rather short-lived; there are no adequate arrangements for providing adequate technical know-how and management skills, with the result that the quality of the works is often quite poor.

9.21 The above are only some of the short-comings and drawbacks of the existing system. These have to be avoided at all costs. It must be accepted that infrastructural development and other developmental programmes in a given area should be regarded by any enlightened government, committed to the welfare of its masses, as a must. Most problems arise because of the imposition of the programmes from above. It is suggested that,

- (a) It should be for the comprehensive rural development authority to determine what should be the programme and works where Governments should not meet 100% of the cost but people's contribution should also be available.
- (b) These works must have been sponsored and demanded by the people's representatives themselves.
- (c) Once it is accepted that certain programmes with the participation of the community are essential, these should be executed like any other programme with the full backing of technical know-how and supervision.
- (d) All grants-in-aid by the Government must be routed through the comprehensive development authority, which should get the works, executed under its direction and guidance.
- (e) Maintenance of such assets should be the responsibility of the local government and no distinction be made between such works and the works executed with 100% government assistance.

9.22 Guidelines recommended by the working Group for financial support to voluntary organisations, listed in Annexure I would also govern the grant of financial assistance to the people's organisations of the type discussed in the preceding paragraphs.

**Conditions for Eligibility for Central Assistance.**

In order to be eligible for financial assistance under the scheme, an institution/organisation should possess the following qualifications :—

- (a) It should be registered under an appropriate Act.
- (b) It should have a properly constituted Managing Committee with its powers, duties and responsibilities clearly defined and laid down in writing.
- (c) It should have been normally engaged in programmes of Rural Development for considerable period. Relaxation may, however be made in case of institutions of hilly, remote, border and backward areas.
- (d) It is not run for profit to any individual or group of individuals.
- (e) It should have adequate facilities, resources, personnel, managerial skill and experience to initiate and carry on the project for which the grant is required.
- (f) Its work should be reported/certified as satisfactory by the Government of the State in which it is located. In the case of organisation taken up for Assistance directly from the Government of India, the State Governments should also be satisfied about the working of the organisation concerned.
- (g) It should have adequate arrangements for proper financial management and accounting. It should also have a regular system of audit by a Chartered Accountant or any other recognised body of auditors.
- (h) It should be open to all citizens of India without distinction of religion, caste creed and race, lingual group etc.
- (i) The Institute/Organisation should agree in writing to abide by the conditions of the grant.

**Terms and Conditions for Grants :**

All grants sanctioned under the scheme shall be subject generally to the following conditions :—

- (a) The grant will be utilised only for the purpose for which it has been sanctioned and shall not be diverted for any other purpose. The grants institution shall not entrust the implementation of any part of the scheme or work for which the grant-in-aid is intended to another institution/organisation etc. without prior permission of the sanctioning authority.

- (b) The institution/organisation shall be open to inspection by an officer of the Central/ State Government duly authorised for the purpose. Such inspection will be limited to records which are relevant under the scheme.
- (c) The institution/organisation should maintain an account with a Scheduled/Nationalised Bank or a Post Office in the name of the institution and not of an individual whether by name or by designation. The accounts should normally be operated jointly by at least two persons duly authorised by the managing committee.
- (d) The institution/organisation will maintain their accounts for the financial year prescribed for the purpose.
- (e) The expenditure accounts of the grant shall be maintained properly and separately as distinct from the expenditure accounts of other activities. They shall always be open to check by an officer of the Central/ State Government or their representative duly authorised for the purpose.
- (f) The accounts of institution shall be audited by a Chartered Accountant or any other recognised body of Auditors immediately after the end of the financial year. In the case of institutions receiving grant-in-aid in excess of Rs. 1 lakh per annum recurring and Rs. 5 lakh non-recurring the accounts should be open to test check by the Comptroller & Auditor General at his discretion. The latter may also in his discretion approach the Government when in any special case, he considers that the audit of grantee's books, the grant is less than monetary limit prescribed above, is called for.
- (g) The institution/organisation shall maintain and submit to the Govt. of India at the end of every year but not later than 15 months from the date of sanction of the grant (i) Receipts and payments Accounts, (ii) Income & Expenditure Accounts, (iii) the balance sheet, duly audited along with a utilisation certificate for the project financed by the Government. The institution receiving grant in excess of Rs. 1 lakh per annum recurring or Rs. 5 lakh non-recurring should also furnish to the Audit Officer a copy of the audited statement of accounts relating to the project and a copy of its constitution.
- (h) The institution/organisation shall maintain in form of G.F.R. 19 a record of all assets acquired wholly or substantially out of the Govt. grant. Such assets shall not

be disposed of, encumbered or utilised for purposes other than those for which the grant was given, without the prior permission of the Central Government. Should an institution/organisation cease to exist at any time such properties shall revert to the Central Government.

- (i) The institution/organisation shall abide by the conditions of the grant by the target dates if any, specified therein and in the event of its failing to comply with the conditions or committing breach of any conditions further payments of grants will be stopped and the earlier grants sanctioned shall be refunded to the Government of India with interest thereon as fixed for the purpose from time to time.
- (j) It shall also submit at the end of the financial year, but not later than 3 months of the close of the financial year a performance-cum-achievement report in respect of the project entrusted to it to be made available to the audit. A review of the performance of the grants institutions in respect of grant-in-aid exceeding Rs. 1 lakh per annum shall be made by the sanctioning authority at least once in 3-5 years in each case.
- (k) The institution/organisation will abide by the canons of financial propriety applicable to the Government authority dealing with public funds.
- (l) The institution/organisation shall have to execute an agreement with the President to agree to abide by the conditions of the grant.



## 10. ACKNOWLEDGEMENT

The Committee wishes to place on record its deep appreciation of the work done by Members of the Working Group on Organisational and Administrative Structures as well as those of the Sub-Group on Methodology of Central and State Plan Allocations and Financial and Budgetary Control which was constituted under the Chairmanship of Shri K. K. Srivastava, Adviser, Planning Commission.

2. The Committee also take this opportunity of thanking individuals, State Governments and Central Ministries for their valuable suggestions which they gave either by correspondence, personal discussions or in reply to questionnaires.

3. We also wish to record our appreciation of the valuable services rendered by Shri Hit Prakash, Consultant, Planning Commission, for drafting the report. Our thanks are also to the Secretariat of the Committee.

Sd/-  
B. Sivaraman  
Chairman

New Delhi.  
September 27, 1980.



Terms of Reference of the Working Group on Organisational Structures.

1. To appraise the present role, performance and image of

- (i) (a) Normal development functionaries of various departments;
- (b) Local bodies including Panchayati Raj bodies;
- (c) Cooperatives/Nationalised Banks;
- (d) Specialised area development agencies;
- (e) Voluntary agencies;
- (f) Organisation of beneficiaries, if any.

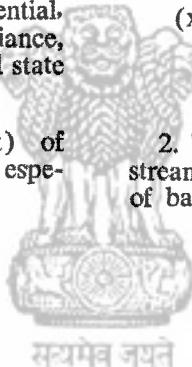
- (ii) Capability for locally oriented planning;
- (iii) freedom and delegation of authority to local agencies.

- (iv) extent of horizontal integration of normal and special administrative agencies to enable the evolution of integrated sequential, schematic and spatial strategies at variance, to the extent necessary, with the normal state programmes.

- (v) Accountability (and its enforcement) of local administration to beneficiaries, especially weaker sections.

- (vi) Planning functions assigned and performed by cooperatives, commercial banks, panchayati raj bodies, other local bodies etc. within the framework of integrated area development plan. Extent of flexibility allowed in centrally sponsored/central programmes.
- (vii) Nature of allocative mechanism in respect of resources and financial and procedural flexibility.
- (viii) Orientation, motivational factors and flexibility in personnel policy to ensure adequate quality of manpower to inputs in development of backward areas.
- (ix) Quality of organisational framework for R & D, marketing etc.
- (x) Back up from State and academic institutions for exploration diagnosis of problems and training of manpower.
- (xi) Mechanism for assessment of accrual of benefits from various programmes to target beneficiaries.
- (xii) Arrangement for monitoring and re-alignment with a view to adapt programmes quickly, in the light of experience, to achieve the intended objectives.

2. To recommend changes and policy measures for streamlining organisational structures for development of backward areas.



*Number of Meetings held by the Working Group on  
Organisational Structures.*

The Working Group held eleven meetings on the following dates :—

1. 23rd June, 1979	5. 25th Oct., 1979
2. 19th July, 1979	6. 19th Nov., 1979
3. 21st August, 1979	7. 8th Jan., 1980
4. 22nd Sept., 1979	8. 5th Feb., 1980
	9. 1st April, 1980
	10. 19th June, 1980
	11. 21st & 22nd July, 1980



## QUESTIONNAIRE

## Questionnaire on Organisational Structure to States

## A. Planning, Formulation and Implementation

1. Give a brief outline of the existing machinery and organisation in your state for the planning, formulation and implementation of development plans and programmes, at different levels namely State, region/sub-region, district and block.

An organisation chart may be furnished showing the vertical and horizontal relationships at each level.

2. What is the existing mechanism for co-ordination of development plans and programmes of different departments and agencies at the State, district, and block levels, and how does it work in actual practice? If the present arrangements have not been found to be wholly adequate or satisfactory, what modifications you would suggest for ensuring effective coordination.

3. (a) Is there any unit or machinery at the State, Regional or district level for special attention to the development problems of regions/sub-regions, district or blocks arising out of the backwardness of areas.

(b) Please mention in particular, the administrative arrangements made at State and district levels for development & promotion of industries in industrially backward districts with optimum use of the package of incentives provided by the Central and State Governments.

4. The draft Sixth Plan lays down that the strategy for rural development would be integrated rural development. If further lays down that development programmes to be integrated will include programmes of agriculture development, animal husbandry, drinking water, marine fisheries, social and farm forestry, village and cottage industries, service sector as self-employment sector and labour programmes for skill formation etc. Please indicate what action has been taken by the State to implement the above approach? What difficulties, if any, are experienced in implementing the above approach.

5. (a) Are Panchayati Raj institutions or other local bodies associated with the task of formulation and/or implementation of the development plans and programmes of the areas within their jurisdiction, and if so for what purposes and how?

(b) What role do these agencies perform, in the Planning and implementation of the integrated rural development programme, or other area-specific and beneficiary-oriented programme, such as D.P.A.P. and S.F.D.A.

(c) In particular, what are the respective roles of panchayati raj bodies and State Government functionaries in regard to:—

- (i) choice of projects in rural development programme; and
- (ii) identification of beneficiaries belonging to the poorer section of the population.

6. (a) What role, if any, is performed at present by Co-operative institutions, rural regional banks, commercial banks and other institutional credit agencies in the State in the formulation of state district and block plans?

(b) What are the existing arrangements for coordination between the State planning and development set-up and credit agencies, at State, district and block levels? Please indicate the deficiencies in the existing arrangements, and give your suggestions for removing them.

7. Are any Statutory Boards/Corporations/Companies set up by the State Government associated with the task of formulation of development plans and programmes in different fields, and if so, to what extent and how?

8. (a) To what extent, if any, have research institutions or other institutions of higher learning been associated with formulation of development plans and programmes, or evaluation of important on-going programmes?

(b) Have the facilities available in Research Institutes, university bodies in the State or National laboratories been utilised for the carrying out of diagnostic or exploratory surveys and studies for the development of backward areas? If so can the Report be sent?

9. (a) Are there any registered voluntary bodies or associations which have been engaged in the task of rural development in your State for some years? Please indicate the nature of the work being done by them and their achievements, if any.

(b) Have any such bodies been associated so far with formulation and implementation of rural development programmes ? If so in what manner and to what extent ?

(c) Have the services of such agencies been utilised for the carrying out of some other programmes of rural development and reconstruction more specially in backward areas ? Please furnish brief details and also indicate whether their participation has been found generally to be helpful and beneficial or otherwise.

10. What is the existing arrangement in your State for monitoring of development plans and programmes in different sectors ?

What are the further steps that can be taken in your opinion for strengthening the existing arrangements, and making them more effective ?

(a) What are the existing arrangements for evaluation of various development plans and programmes in your State ? Please give details of the existing organisation, if any, for the carrying out of the task of evaluation, and a brief summary of the work done by this organisation during the last 2 years and work currently in progress. What is the machinery or procedure for deciding as to what should be the programme of work of evaluation during the work (concurrent evaluation).

Has follow-up action been taken in the light of the conclusions reached and the recommendations made in the evaluation report ?

(b) Do you agree with the view that it would be advantageous to have the evaluation of major programmes which are also generally of a complex nature done by an independent agency such as research institute having the necessary competence and expertise for the carrying out of the task.

11. (a) What are the existing administrative arrangements for the formulation and implementations of the integrated rural development programme and other special programmes such as D.P.A.P., C.A.D., H.A.D. and S.F.D.A. and the sub-plan for tribal areas.

(b) It is understood that integrated development plans have not been prepared so far for most I.R.D. blocks. What are the measures taken or proposed for facilitating preparation of such plans at the district/block level.

(c) In particular, have necessary steps been taken to facilitate integration of the beneficiary oriented programmes in I.R.D. blocks with the State Plan ?

12. Has the administrative set up of the S.F.D.A. D.P.A.P. and C.A.D. programmes been integrated with the administrative set up of the integrated rural development programme at State, district and block levels ? If integration

has not been taken so far, please indicate difficulties involved and the further steps that the state Government propose to take in this regard.

13. How are the needs, and the capacity at the Block level assessed in the planning of programmes or projects ? Is there any participation of people or their representatives at a level low enough for such participation to be meaningful. What is the arrangement for consultation with the people or the people's representatives before finalisation of programmes or projects ?

14. How do the functionaries of the various Development Departments coordinate their plans and programmes with each other not only among the normal development programmes but also in the special area oriented programmes and beneficiary-oriented programmes specifically taken up for the upliftment of the disadvantaged sections of the people.

15. Is there duplication of effort in any particular field of development between more than one department ? How can this duplication, and may be consequent infructuous expenditure, be avoided ?

16. Does any coordination take place at the District level between all departments and institutions concerned with a view to have a comprehensive picture about the entire District in the total sector of development ?

17. Is there a District Coordination Committee to coordinate the various plans and programmes formulated at the Block level by different Government Departments ? If so, what is its composition and what role has been assigned to it. Is it merely an advisory body or is it any authority to modify, drop, change, etc., the plans and programmes for the various Blocks, before they are either sent to the State Hqs. for sanction or taken up for implementation to the District ? Is there any designated officer at the District level and is he given any specific authority or powers for coordinating the various programmes ?

18. There appears to be a communication gap between what is intended as direction and mode of development at State level and its comprehension at the District or Block level. Is there an out-reach for the planning unit to the District or Block level in similar Planning Units so that a communication is established. If not, is there any thinking on it ?

19. What are the arrangements for tying up of the credit needs of various programmes, whether short, medium or long term ?

20. It has been often heard that the specialised agencies/authorities tend to function as water-tight departments and they often conflict between these agencies and the other Development Departments in regard to most matters.

Is this correct from your experience? How can mutual cooperation and coordination of effort be brought in?

21. (a) What are the arrangements for follow-up action to monitor and ensure that various items of programmes are not only physically completed but all other necessary pre-requisites to achieve the maximum benefits are also made available for the purpose.

(b) Would it be desirable in the State Governments' opinion to introduce more or less concurrent evaluation of beneficiary oriented and other development programmes at the Block level.

22. How are the technical and engineering requirements of the various programmes at the block and the District level attended to? What is the relationship between the technical and engineering staff provided at the District and block level with that of the normal engineering and technical departments?

#### *Financial Procedures and Delegation of Powers*

23. It has been the experience in some State where the concept of integrated budget for special programmes has been introduced that such an arrangement give better results in as much as the project authorities can take decisions on the spot and in time to utilise the likely savings in a particular programme by diverting it to some other approved programmes and projects. What are your views on this concept? Has your State introduced any programme?

24. What is the mechanism for sanctioning of various projects and programmes at the State level and upto what level powers have been delegated to the Block and District authorities for sanctioning of programmes and projects.

25. Have the local authorities any flexibility in appropriating or diverting funds placed at their disposal by various Departments for executing their departmental programmes in case of savings, whatever be the reasons, to utilise the same for other approved programmes, without prior approval of the Departments concerned at the State level. If not, do you think that such a flexibility would result in speedier utilisation of funds at the field level for execution of approved programmes, irrespective of the fact to which particular Department they belong.

26. What is the present extent of delegation of authority on financial and administrative, to district and block level functionaries. Are the State Governments considering the desirability of further delegation of such powers to facilitate prompt sanction and implementation of rural development programme?

27. Have the State Government considered the desirability of making suitable arrangements so that all permissions, approvals or sanctions

needed for the execution of beneficiary-oriented schemes and other small schemes can be given at the block itself or at a focal point within a short distance from the block so that the beneficiary who belong to the poorer section of the population does not have to move from one Government office to another situated at different places.

#### *Extension, Awareness and Training*

28. The success of the integrated block development programme would depend, among other things, on the availability of adequate technical support from district level officers of the concerned technical departments. Are the State Government satisfied that the existing district-level officers of development departments are well-qualified and motivated to discharge this responsibility.

29. It is said that development programmes for backward areas have often suffered due to the unwillingness of experienced and meritorious officers to stay in such areas for long period. Have the State Government formulated a personnel policy for tackling this problem?

30. (a) What are the facilities available in the State for training district and block level officers?

(b) What arrangements have been or are being made for training of personnel at different levels in rural development work, and for tackling other development problems of backward areas.

31. (a) What steps have been taken so far for creating public awareness of the objectives of the integrated Rural Development Programme and other area-based beneficiary oriented programmes.

(b) Have the rural development agencies and the block agency, been able to establish effective communication with the people in the area, more specially the poorer sections of the population who are expected to benefit from programme being taken up.

32. Have any association or organisation of beneficiaries been formed in any of the blocks where beneficiary oriented programmes are being executed.

33. Are you satisfied with the existing extensive arrangements? What has been the effectiveness of the new T & V System? What arrangements exist to take care of development programmes other than agriculture, as under the T & V system, village level workers would cover only agricultural development programmes? Are you in favour of multi-level village level workers?

34. What is the level of expertise advice available to the village level workers for various programmes?

*Procedures*

35. Please describe in detail the arrangements existing in your State for ensuring that all permissions/sanctions required for making up a programme are available speedily. To illustrate let us take the case of a tubewell. Before an individual decides to go in for sinking of a tubewell, in many cases he is required to get clearance from the ground water survey authorities for the suitability of the site and the availability of water, power connection, credit, quota of pipes, availability of pumpsets etc. Does a mechanism exist wherein any individual can get all these sanctioned at least by going up to the District Headquarters or has to approach any Department/authority at a level higher than the District. Taking another case of an individual intending to set up a small industry, he would have to fulfill and seek permission of various Government Functionaries before starting. What is the arrangement to

deal with such a situation. What does the State Government think of the suggestions that a mechanism should be introduced where all such procedural requirements can be met by delegation of adequate power and authority to the concerned officer at the local level, maximum being the District Headquarters.

*Marketing and other Infrastructure*

36. Please describe in detail any special programme initiated by your State to tie up the marketing arrangements for all the produce, whatever be its nature, with a view to relieve the producer the worry for disposal of the end-produce and to save him from exploitation by the middlemen.

37. What are the organised servicing and other facilities available to the individuals in a given area, both for agricultural land non-agricultural programmes.



## APPENDIX IV

### *Points for discussion at the block level*

1. Please list the projects sanctioned by the various development departments of the State in the block for 1978-79 with targets and finances nominated for each.
2. Which of the projects or programmes in the block aim at identifying families of the weaker sections of the population and trying to improve their economic status. Please also specify the number of such families in the project or programme which will be covered during the year.
3. Is there any coordination at the project formulation stage or in the working of the same to obtain the maximum effect within the programmes for the benefit of the productivity of the area or benefit of the weaker sections of the population? If not, is there any thinking about such a structure of coordination?
4. How far are the views of the people in the block either by selected representatives or elected representatives obtained, before the projects are settled and the size of the project for the block arrived at so that there may be no imbalance between project and need or capacity?
5. Have the Panchayati Raj institutions done any planning for the block specially to attend to problems of help to the weaker sections of the population? Has this been in any way fitted into the programme for 1979-80.
6. Has the R.D.O. or his staff any role in the planning or implementation of the various projects or programmes of the development departments? Please specify against each project listed against Question (1).
7. Is there any duplication of effort in any particular field of development between the various departments concerned? How can this duplication, and may be consequent infratious expenditure, be avoided?
8. Where the projects are not directly related to families of the weaker sections, is there any thinking about utilising the infrastructure so created in production by the rural families either for the weaker sections or otherwise? If not, what is the difficulty in doing this?
9. Where new programme in the block need credit, how far has the credit need been tied up in the programme? If not, can this be done?
10. Has the brochure 'Methodology for planning and Implementation for Integrated Rural Development' issued by the Department of

Rural Development, Ministry of Agriculture and Irrigation, New Delhi in July, 1978 been received in the block and if so, has there been any conscious effort, to the programme approach even in the brochure? If not, what is the difficulty? Has the relevance of the programmes in the brochure been examined in the block for the suitability and utility of the same and conscious decision taken? If not, why not?

### *Points for discussion at the Distinct Level*

1. Please list the projects sanctioned by the various development departments of the State in the district for 1978-79 with targets and finances nominated for each.
2. Which of the projects or programmes of the development departments aim at identifying families of the weaker sections of the population and trying to improve their economic status? Please also specify the number of such families in the project or programmes which will be covered during the year 1978-79.
3. Who decides the relative allotment of the target and finance in each of the projects amongst the blocks in the district? Is the allocation based on the relative needs or capacity of the blocks or on any other identifiable criterion?
4. Is there a district coordination committee or council for helping in the planning of projects and programmes for the district? If so, is it consulted before the departments decide on the district allocation for the department and the projects to be done in the district. Has the district coordination committee or council any machinery to assess the relative requirements of the blocks on the basis of growth programmes and possibilities or the requirements of the weaker sections of the community?
5. What is the role of the Panchayati Raj in the district in planning or implementation of the projects of the department in the blocks? Are they responsible for implementation or planning of all the development programmes in the district or only for some of them. If the latter, in which fields have been given the freedom to plan and implement?
6. Is there a district monitoring and evaluation organisation and, if so, what is its relation with the planning and implementation organisation in the district?
7. Is there duplication of implementation or planning in the same sector of development by more than one Department or Departments and Panchayati Raj in the district? If so, please specify the types of duplication at present.

APPENDIX IV (Contd.)

8. What is the methodology for identifying the families of weaker sections to be benefited by the development programmes or projects and what is the machinery to see that the identified families get the benefit of the programme? Is there any monitoring to see that the benefit, if any received, is continuous one or ad-hoc and for the occasion?
9. Has the brochure 'Methodology for planning and implementation for Integrated Rural Development' issued by the Department of Rural Development, Ministry of Agriculture & Irrigation New Delhi (July, 1978) been received in the district? If so, what machinery or methodology has been evolved to ensure that development projects and programmes are coordinated in order to get maximum effect per area or per family of those to be benefited, if action has not been initiated for this purpose, what is the present thinking about the need and utility of such an organisation?
10. Have the programmes in the brochures etc. been analysed by the district authorities regarding the relevance of the programmes for the district and, if so, which are the programmes which the district finds of substantial benefit for both productivity and needs of the weaker sections? If no exercise has been done, can a rough analysis be made for the discussions about the programmes which will be helpful in this district and some guidance given at the discussion.
11. Has any planning been done for village industries, cottage industries and artisan development in the district? What is the role of the DIC in this process? What is the out reach of the DIC to the blocks in the district?
12. Has any estimate been made in the district about the prospect of employment in the tertiary sector of services? If not, is there any suggestion for organising such a study for approach?

*Points for discussion at the State level.*

1. Is there a State level planning, Monitoring and evaluation Unit of a Comprehensive structure to look into the entire sector of development?
2. Does the State Planning Unit look into the integration of programmes and projects at district level from the aspect of integration and hence maximum growth of the economy? If so, how do they achieve this integration? If not, is it not necessary to introduce this concept in planning?
3. Who does the monitoring of programmes and projects at the district level? Has the Planning Unit an organisation of its own for such monitoring or is it dependent on the departments?
4. Is there independent evaluation organisation to judge the efficacy of performance of projects and programmes? Has any concurrent evaluation been attempted on programmes with a view to speedily rectify errors in concept or organisation?
5. There appears to be communication gap between what is intended as the direction and mode of development at state level and how it is comprehended at the district or block levels. Is there an out-reach for the planning unit to the district or block level in similar planning units so that a communication is established? If not, is there any thinking on it?
6. There appears to be a lack of communication between the district and the state levels in understanding of objectives and capacity to perform. Is there any system evolved for the heads of departments, both administrative and secretariat to understand the problem at the district level in order to smooth out difficulties in implementation? If not, is there any thinking about such a method?
7. How are the needs and the capacity at the block level assessed in the planning of programmes and projects for them? Is there any participation of people or their representatives at a level low enough for such appraisals to be meaningful? What are the present arrangements for consultation with the people or people's representatives before finalisation of programmes and projects?
8. In addition to the above, various problems that come up at the block and district level discussions will also be taken up.

## APPENDIX V

*Composition of Sub-Group on methodology of Central and State Plan allocations for backward areas budget provision and financial control.*

1. Shri K.K. Shrivastava, Advisor, Planning Commission	<i>Chairman</i>
2. Shri P.H. Vaishnav, Joint Secretary, Planning Commission	<i>Member</i>
3. Shri B.D. Sharma, Tribal Development Commissioner, Madhya Pradesh	<i>Member</i>
4. Shri Bhupinder Singh, Joint Secretary, Ministry of Home Affairs	<i>Member</i>
5. Shri G. L. Bailur, Joint Secretary, Ministry of Rural Reconstruction	<i>Member</i>
6. Smt. S. Satyabhami, Joint Secretary, Ministry of Agriculture	<i>Member</i>

7. Shri R. K. Kaul Joint Secretary, Ministry of Finance	<i>Member</i>
8. Shri Hit Prakash, Consultant, Planning Commission	<i>Member</i>

### *Terms of reference of the Committee :*

- (i) Methodology of State and Central Plan allocation for the development of Backward Areas keeping in view the ITDP pattern.
- (ii) Introduction of a unified Budget head at the State level for all programmes relating to the development of Backward Areas as had been done by some States in regard to tribal programmes and command area development.
- (iii) Arrangement for monitoring to ensure that funds allocated for development of Backward Areas are utilised for the purpose intended.
- (iv) Review of the existing pattern of assistance to the States under the Minimum Needs programme, DPAP, SFDA, CAD, etc. How far they be fitted in bringing out the ITDP pattern and what would be the consequent modifications in the existing arrangements.
- (v) Concept and the programmes under DPAP, SFDA, etc. are they fundamentally different from ITDP, if so, in what respects and what modifications would be required to fit in with ITDP pattern.



## APPENDIX VI

*Report of the Group constituted by the Working Group on Organisational Structures set up by the National Committee for the Development of Backward Areas in its meeting held on 22nd September, 1979*

The working Group on Organisational Structures set up by the National Committee for the Development of Backward Areas in its meeting held on 22nd September, 1979, constituted a Group under the Chairmanship of Shri K K Srivastava, Adviser, Planning Commission and consisting of S/Shri P. H. Vai- shnav, Joint Secretary, Planning Commission, B. D. Sharma, Tribal Development Commissioner, Madhya Pradesh, Bhupinder Singh, Joint Secretary, Ministry of Home Affairs, G. L. Bailur, Joint Secretary, Ministry of Rural Reconstruction, Smt. S. Satyabhama, Joint Secretary, Ministry of Finance and Hit Prakash, Consultant, Planning Commission to go into the question of Central and State allocations for the Backward Areas and the related questions, with the following terms of reference :—

- (i) Methodology of State and Central plan allocation for the development of Backward Areas keeping in view the ITDP pattern.
- (ii) Introduction of a unified Budget head at the state level for all programmes relating to the development of Backward Areas as had been done by some states in regard to tribal programmes and command area Development.
- (iii) Arrangement for monitoring to ensure that funds allocated for development of Backward Areas are utilised for the purpose intended.
- (iv) Review of the existing pattern of assistance to the states under the Minimum Needs Programme, DPAP, SFDA, CAD, etc. How far they be fitted in bringing out the ITDP pattern and what would be the consequent modifications in the existing arrangements.
- (v) Concept and the programmes under DPAP, SFDA, etc. Are they fundamentally different from ITDP, if so, in what respects and what modifications would be required to fit in with ITDP pattern ?

2. The Group held meetings on 27-10-1979, 15-11-1979, 19-11-1979, 11-1-1980 and 19-1-1980.

3. The Group had before it a paper prepared by Dr. B. D. Sharma about the Plan allocation system for the Tribal Sub-plans, budgetary allocations and their control etc., another paper about the methodology followed by Gujarat, particularly in regard to the provision of a nucleus fund, a paper prepared by the State Plan Division of the Planning Commission and another paper on some of the programmes administered by the Ministry of Rural Reconstruction.

The Group had detailed discussions on all relevant aspects, taking into account the fact that the approach envisaged by the National Committee for the Development of Backward Areas is comprehensive development approach, a 'Block' being the unit for purposes of identification as 'backward' and also being the unit for Planning and development. It also noted that all programmes in a Block where considered necessary, are to be implemented through a project approach on the lines of the ITDP, the project consisting of one or more Blocks, the actual size being left to the State Government, depending on the local needs and requirements.

4. While the basic assumptions are as outlined above in regard to the unit for planning and development and the project approach, the Group felt that conditions would vary from State to State. There could be the possibility of their being only one Comprehensive Department Project (CDP) in a District, there being more than one project, in a District, some of the projects being not co-terminus with those of the Sub-Division, some projects having blocks spread out in more than one Sub-Division etc. There could also be the following situations so far as a State, as a whole is concerned, namely,

- (i) The entire State like Arunachal Pradesh being declared as backward;
- (ii) More than 50% of an area in the State being declared as Backward;
- (iii) Less than 50% of the area in the State being declared as backward.

5. Again, there could be situations where all the areas classified as 'backward' as per the criteria recommended by the NCDBA and accepted by Government may not be susceptible either to a project approach or to a comprehensive development approach, as in some areas only particular programmes which may, by and large, be beneficiary oriented are required to be taken up to improve the conditions of the people in that area. As there are going to be several such variables in actual implementation of the programmes, the Group would like to make it clear at the outset that the methodology for allocation of State and Central Plan funds is intended for all the States irrespective of the fact what size of the area is declared as backward.

### *Posting of Total Investment*

6. For comprehensive development of a region, it is necessary that the total investment from all sources is brought within the purview of the planning and implementation authority for that area. The main sources of investment would be (i) the State plan, (ii) the Central Plan (funds of centrally sponsored schemes), (iii) Central additive, if any, (iv) Funds of the local authorities if any, and (v) institutional finance.

7. The Central additive envisaged here will be analogous to special Central assistance for the tribal sub-plans. The role of the Central additive would be to supplement resources of the State Plan and to fill up gaps for which no resources are readily available.

8. Investments flowing from local authorities may or may not be sizeable, but they are very significant in the involvement that they would imply.

9. The investment of the Central and the State Government is generally fragmented into a large number of sectoral programmes operated by numerous departments/organisations. It will be necessary to ensure optimal utilisation of the total investment available in the context of the requirements of each project.

#### *Pooling of Resources*

10. It would be necessary to work out the methodology for pooling of resources. In the first instance, the order of investment of the entire backward region in the State will have to be determined. The relative proportion of the total outlay flowing to the Backward and the non-Backward Areas should be related to the population and the area.

11. As regards the methodology, it is recommended that the total State Plan outlay (including Central assistance available under Gadgil and IATP formulae which forms part of the State Plan) would first be divided into divisible and non-divisible portions. Care will have to be taken to ensure that no attempt is made to inflate the non-divisible pool and only such items as are really not divisible should be included in the non-divisible pool to illustrate major and medium irrigation projects, power projects and similar projects would be on the non-divisible pool; but all roads and bridges need not necessarily be included in the non-divisible pool. Also, it would be ensured that allocations already earmarked for Backward Areas and classes like hill, tribal areas, etc. are not reduced and earmarked on block development of those areas and put under development of Backward Areas.

12. Taking into consideration what has been mentioned in para 11, the divisible pool outlays out of the state Plan allocation, that is excluding what is non-divisible and also what is already earmarked for such areas and classes as are backward like hill, tribals, desert etc. the balance outlay would be treated as divisible. The Group has given a careful consideration as to what should be the most equitable formula for dividing the divisible outlays between the backward and non-backward areas. The Group was of the view that this pattern should be such as would appear to optimise the distribution visualised under various combinations of area and population coverage. After a detailed exercise, it would recommend that the State Plan outlays for the backward areas should be worked out on the basis of 50% of the population and 50% of the area comprising the backward areas. This formula would be added to the allocation already specifically earmarked for the development of backward areas, as mentioned earlier. Thus the total State outlay for the backward area would be determined. Once this has been done, the project-wise disseg-

tion should be done on the basis of weightage of 50% population, 30% of the area and 20% of income generated (in the absence of relevant data for geographical areas lower than district, the district level net domestic produce estimates may serve as a close approximation).

#### *Central Assistance*

13. We have already dealt with the block assistance to the State Governments under Gadgil and IATP Formulae. What is to be considered now is as to how the plan funds available with the Central Ministries under the Central and centrally sponsored schemes are to be apportioned between the backward and non-backward areas of the country. This problem is beset with various difficulties and implications. The genesis of the centrally sponsored and the central schemes, at least theoretically, is that only such schemes are taken up in the Central Sector as are considered essential in the overall national interest, priorities have to be accorded in the national interest and there is a feeling that the States would not be able to provide the requisite funds for tackling these and priority problems. If this thesis is accepted, it would become very difficult to justify any apportionment between the backward and non-backward areas, as stated earlier, the very basis of the schemes is a specified purpose, irrespective of the fact where the location happens to be.

14. The Central schemes consist of both cent per cent sponsored programmes as well as those which are shared between the Centre and the States. A rough perusal of the existing centrally sponsored programmes indicates that the outlays provided in the revised draft plan 78—83 are as under :

Agriculture & allied sectors	1672.10 crores
Village and Small Industries	118.73 crores
Inter-State transmission lines	100.00 crores
Transport & Communications	45.56 crores
Education	102.12 crores
Health & Family Welfare	1144.53 crores
Water supply, housing etc.	464.28 crores
Social Welfare and nutrition	43.97 crores
Welfare of backward classes	200.00 crores
Labour	25.00 crores

15. A further scrutiny of the Central schemes indicates that there are a number of schemes which are purpose oriented and it may be difficult to divide them into backward and non-backward areas. To illustrate : intensive cotton, jute, oilseeds, coconut, cashewnut, pulses programmes, command area development, roads of inter-State importance, special roads and bridges of national importance, appointment of Hindi teachers in non-Hindi speaking States, filaria, malaria, leprosy control.

16. By and large, the centrally sponsored schemes whether 50% or 100% fall within the following broad classifications :

- (i) Schemes which are purpose oriented and have to be located where best possibilities for the same exist.
- (ii) Schemes clearly intended for backward areas and classes.
- (iii) General types of schemes.

So far as schemes intended for backward areas and classes are concerned, obviously there is no need to suggest any formula for national level as this would in any case go to the backward areas and classes in accordance with the guidelines already determined by the administering Ministries. As regards such schemes which are funded by the Central Government on 50% basis and where 50% contribution is required to be made by the State Government, here again there should be no difficulty as for such schemes as are in the centrally sponsored programmes, if a 50% provision has been made in the backward area development plan, the Central Ministries would have to provide in any case the remaining 50%. The Group would, however, like to recommend here that in case adequate funds are not available with the Central Ministries or 50% provision made by the State Government, Central Ministries should give priority to the schemes taken up in the backward areas and try to meet to the extent possible matching funds for the schemes in the backward areas as a first priority.

17. The Group has made a careful study of the centrally sponsored schemes which are funded on 100% basis. While most of the schemes are purpose oriented and cannot be divided among backward and non-backward areas, there are the schemes like adult education, family welfare programmes, accelerated rural water supply and integrated child development services. The Group would suggest that in respect of all these four schemes topmost priority should be given to the needs of the backward areas. It would further recommend that the Central Ministries should work out the share of the backward areas of the National level on the same formula as has been recommended earlier for the State Plan allocations, namely 50% on the basis of population and 50% on the basis of area. Having thus determined the share of the backward areas at the national level in respect of all these four schemes, specific schemes should then be taken up by the Central Ministries in accordance with their existing guidelines.

18. Apart from the existing Central programmes, the Group feels that there is need for special Central assistance to be provided to the backward areas for strengthening of the administrative and organisational structures including the creation and strengthening of Planning cells. How this should be done is best left to the Government to decide.

#### *19. Concept of Comprehensive Development Project (CDP)*

The Group notes that the Working Group has suggested a comprehensive development project approach to be implemented in respect of the following areas :—

- (i) Tribal
- (ii) Difficult and inaccessible hill and coastal areas.

- (iii) Arid and some of the difficult semi-arid areas.

The Group, however, feels that if a real dent has to be made in improving the living conditions of the people in the Backward Areas, even beneficiary oriented programmes would require infrastructural and other ancillary support. It is therefore of the view that the concept of comprehensive development approach should be applied to all the Blocks which fall within the backward category.

#### *20. Budget Provisions*

The entire outlay for the Backward Area Development on the basis of the formula indicated earlier, should be shown under the one demand for presentation for sanction of the State Legislature. The Comptroller General of India has already agreed to such an arrangement in a couple of States, under which the provision of all the functional major budget heads are grouped under one demand and it is this demand which is presented for sanction to the State Legislature. This would result in non-diversion of provision for development of Backward Areas to activities in other areas of the State. This only demand would clearly indicate the disaggregated provisions for various development sectors. There should be a minor head 'Comprehensive Development Project to distinguish the expenditure incurred in such Backward Area as are taken upon the basis of comprehensive development from the expenditure incurred in respect of the remaining Backward Areas. While the disaggregated budget provision indicated under the major demand would continue to be operated upon by the appropriate administrative departments in the normal way, they will have no authority to reappropriate the funds earmarked for the Backward Areas to any other non-Backward Areas without the specific approval of the Backward Area Development Commissioner or similar other competent authority in the State. The administrative departments/controlling officers would have the responsibility for preparation of budget estimates and submission of revised estimates etc. The administrative departments, however, would have the power to reappropriate funds within their own sector from one sub-sector to another sub-sector, in respect of the funds which are earmarked for the development of Backward Areas and are placed at their disposal. The project authority should be allowed to reappropriate funds from one sector to another as well as from one area to another, subject to clearly defined lines. At the State level, the Commissioner incharge of Backward Areas will have powers of reappropriation from one sector to another within the Backward Area budget. Care would however have to be taken to ensure that these reappropriations do not change drastically the plans of the structure.

#### *Nucleus Budget*

21. The conditions and level of development of various Backward Areas is not uniform. Some are developed to some extent whereas some are yet to pick up the development. With a view to meeting special requirements of project area as well as for taking up special and innovative programmes, it is essential that some funds are earmarked out of the total allocations for the development of Backward Areas as a nucleus budget. If this is not done, most of the Plan

funds may be absorbed by the ongoing programmes and very little is left for taking up new programmes, particularly suited to the needs and capacity of a particular area, although in small bits, which no Micro Plan can consider but vital for co-ordination and approach. It is also necessary to build up flexibility in implementation of Backward Area development programme. It is therefore recommended that 5% to 10% of the total budget allocation for the development of Backward Areas should be earmarked as a nucleus fund which should be placed at the disposal of the project authorities, who should be declared as Controlling Officer. The Project authorities of the Comprehensive development Projects should be given power to sanction any scheme from the nucleus budget on the advise of the Committee of Directors and subject to the following conditions :

- (i) No recurring liability should be created for Government unless the concerned department has undertaken in writing to run such schemes or projects after the Sixth Plan period :
- (ii) the revolving fund for loans created from the nucleus Budget should not be more than 20 per cent of each year's provision;
- (iii) technical approval of the District Officer concerned should be obtained before works are approved from Nucleus Budget; and
- (iv) If the scheme involves a staff component, the same should be referred to the Backward Area Development Commissioners for clearance.

The schemes undertaken under this nucleus budget will become part of the normal ongoing programme so that nucleus budget is available for taking up new programmes/schemes in the subsequent year. This experiment has been tried with great success in Gujarat and has helped in the formulation, implementation, and subsequent adoption of a number of schemes suited to local field conditions.

#### *Placing of Funds with CDP*

22. The CDP authority would be expected to prepare its own programme and plans, which would be sent to the Backward Area Development Commissioner after due approval by the local Committee of Directors. Once the schemes and programmes have been approved by the competent authority at the State level, the CDP authority should be given the total outlay relatable to the project area for all the schemes approved therefor. They would of course have to be given policy guidelines by the State in preparing programmes to be undertaken by them but they should have complete freedom and flexibility to work out their own priorities.

In view of the fact that the project plan would have been prepared by the concerned CDP authority and sanctioned by the competent authority with reference to the resource availability, there may not be many occasions for substantial intersectoral changes. However, since the pace of implementation in different sectors may vary, marginal changes may be necessary.

#### *Unused funds*

23. Whatever efforts may be made and instructions issued, experience has shown that it takes time at least

in the first year of a project to issue sanctions, etc. and invariably there are savings at the end of the financial year. This is further aggravated by the fact that the financial year which is at present from 1st April to 31st March leaves practically only 8 working months as 4 months are taken away by rains etc. The Group has considered several alternatives as to what should be done by the savings in the approved budget programmes. Several suggestions have been made like the constitution of the project authority as an agency, registered under the Societies Registration Act, creation of a non-lapsable fund, availability of at least a part of the savings and add it on in the next year's budget etc. The Group feels that as the intention under the CDP approach is to take up a total development of an area, it may neither be feasible nor desirable for the entire Government funds being placed at the disposal of a registered Society even though Government Servants may be the controlling authorities in this agency. The Group, therefore, feels that the idea of an agency would have to be given up for Comprehensive Development approach. It is true that an institution like an 'agency' does provide some sort of flexibility and would also be in a position to take care of the savings, but at the same time, the possibility of other abuses creeping in cannot be ruled out. Experience has shown that autonomous agencies, instead of being flexible sometimes become more rigid than Government departments and as they would have no fear of the funds getting lapsed at the end of the year there are, may be a general inertia and no enthusiasm in implementing this programme. The best course would appear to be :—

- (a) efforts should be made by the Backward Area Development Commissioner of the State to enjoin on the project authority to utilise the funds placed at their disposal for the purpose for which they are intended and a close watch kept on the savings with a view to fixing up responsibility.
- (b) 50% of the savings in a particular area may be allowed to the project authority as an addition in their next year's budgetary allocations, if necessary, through a supplementary grant;
- (c) In order to provide more working time, the possibilities of changing the financial year April—March to July-June, as already recommended by the Administrative Reforms Commission, may be explored; and
- (d) Inter-sectoral adjustment to avoid lapsing.

The Central funds should be flow to the project Authorities through the State budget as a part of the project Outlay. The source of funding to a Backward Area programme should be a matter to be settled at the State Level. The Project Authorities should not be required to render separate accounts in respect of the programmes controlled by the same Ministry. They should however, keep separate accounts in respect of funds sanctioned by different Ministries and also prepare performance reports in respect of each programme.

Integrated Structure of Planning and Implementation of a Comprehensive Integrated Area Development Programme in Backward Areas at Block, District and State Level.

(N.B.) The note below incorporates the essential features of the adopted village 'Somangalam' and LAMP' concepts.

### 1. Unit for Planning and Development

Block has already been accepted as a 'unit' for planning and development. Block is also likely to be the unit for purposes of identification of backward areas. Hence, the unit for planning and implementation of development programmes would be a backward block.

### 2. Concept

The concept of planning and development would aim at a comprehensive integrated area development programme and would include in particular :—

- (i) Agriculture and allied activities.
- (ii) Irrigation.
- (iii) Soil conservation and water management.
- (iv) Animal Husbandry and Poultry.
- (v) Fisheries.
- (vi) Forestry.
- (vii) Processing of agricultural produce.
- (viii) Organising input supply, credit and marketing.
- (ix) Cottage, Tiny and Small Industries.
- (x) Training of local youth and upgrading of skills of local population.
- (xi) Development infrastructure.
- (xii) Social services.
  - (a) Drinking water supply.
  - (b) Health (including Family Welfare) and Nutrition.
  - (c) Education.
  - (d) Housing.
  - (e) Sanitation.
  - (f) Local Transport.
  - (g) Social Welfare.

Whilst the comprehensive frame will be the ultimate objective in Backward Areas, the spread and the expectations will have to be adjusted to :—

- (a) The present level of absorbable capacity of the population of new techniques and new skills necessary and available for greater productivity.

- (b) The capacity of the administration and the Institutions to cover the field in the comprehensive manner required in a Backward Area, keeping in view the greater necessity of administration and institutional intervention because of the highly exploitative nature of present private sector structures.
- (c) Need to build from present bases of capital availability in Land money and skills to the new potential the pace having to be maintained at the level of the capacity for education, training and creation of institutions in the new structure.
- (d) Whilst emphasising need for education, pay greater attention to functional literacy on one hand and intensive use of the educated youth in local development structures and opportunities.
- (e) A Growth Centre approach being the best under the conditions of both administrative and institutional availability, the pace at which the message can be spread from the Growth Centre outwards.

### 3. Planning

#### A. Block Level

Important steps for preparing a Block Plan would be :—

- (i) Ascertain specifically physical and human resources potential;
- (ii) identify constraints inhibiting socio-economic and technological growth;
- (iii) understand the felt needs of the people and factors inhibiting the uplift of the Block, and in particular, the weaker sections.
- (iv) expand the area of people's participation in the formulation and implementation of plans;
- (v) Production programmes suited to the capacity and needs of area in the light of the resource potential;
- (vi) Manpower planning and skill development in relation to the production programmes.
- (vii) programme for the provision of basic minimum needs; and
- (viii) programmes for the institutional support.

To achieve the above objectives, the following will be necessary :

- (a) Identification of priorities.
- (b) Resources inventory and data collection.

Note : A theoretical exercise in Resources Inventory has no meaning in Backward Areas. The

resources which can be immediately organised and operated for development, should first be enumerated, leaving the fills for gradual assessment and development as the capacity of the people to absorb and the capacity of the administration and institutions to keep pace. The Growth Centre concept enables a phased assessment of Resources starting from the Growth Centres outwards as the pace to absorb the messages develops in the people. The aspect is important to avoid unnecessary infructuous labour).

- (c) Formulation of programmes for development and the establishment of their spatial and temporal linkage with integrated framework.

(Note : The infrastructure development is best adjusted to the requirements of the Growth Centres. This itself will give a balanced frame for the infrastructure development in the Block).

- (d) Identifying the families below the poverty line with a view to assist them to raise their earning capacity.

(Note : In Backward Areas as the bulk of the population are bound to be in the poor sector because of exploitation and lack of skills, it may be desirable to follow the Somangalam method of assessing all families for capacity and skill and expectations, and then select the beneficiaries from the bottom upwards on the Antyodaya principle. It should also not be forgotten that in Backward Areas our objective is also all round development and as such all families and all resources will have to be systematically developed keeping in view no doubt the principle 'social justice.

- (e) Introduction of a household plan card for each family to be prepared in consultation with the head of the household taking into account their resources, skill manpower. The household plan card should serve to obtain general information details of the land, its use, animal stock position, investment needed, skill of the industrial worker employment potential, employment condition of the landless labourer, details of the annual income at the initial time of the project.
- (f) Assessment of requirements of financial resources and their availability from various sources District budget, banking institutions and private sector;
- (g) Monitoring and concurrent evaluation of development plans with particular emphasis on the improvement in the income and living conditions of the individual household for which a suitable table would be devised which would become a sort of permanent record for the individual family;

The Block Level plans and surveys would be initially carried out by a Block Level planning Team consisting of the Block Development Officer and other technical and related staff available in the Block and would be finalised in consultation with an Advisory Board consisting of the elected members of the Block Samiti representatives of the rural poor and other dis-

advantaged groups and concerned government and other agencies.

It should be possible for the existing staff who are best aware of the local conditions to carry out such surveys and prepare schemes. Some Surveyors may have to be recruited on temporary basis for a few days to collect information about the individual households. It is estimated that this should not cost more than Rs. 5 per family. In addition, the following additional staff would be provided to the Block Development Officers.

An additional Block Development Officer to relieve the BDO of the non-development activities and other routine work, the Block Development Officer functioning purely as a Development and project Coordinator for the Block. In addition, depending on the needs, there are organisers selected as far as possible from the local people would be appointed on a payment of suitable honorarium. The block staff would also be augmented with secretarial assistance like Accountants, Typists and Tabulators. Some transport facilities like scooters, motor cycles and cycles would have to be provided. Care should be taken to see that no additional jeeps are provided, considering the present petrol shortage. Considering the fact that BDO is going to be the key person, care will have to be taken to see that proper person with adequate seniority are posted.

#### *B. District Level*

The Block Level Planning would require coordination at the District Level in order to work out a proper programme and to secure the best deployment of resources particularly in respect of such schemes and programmes which cut across the boundaries of more than one Block. It is to be ensured that the Block Plan does not become alone and truncated exercise and must be closely coordinated with the Planning at the District and State levels. This would be all the more important in respect of such items like expansion of superstructure, provision of essential inputs, administrative interaction and adaptation. In order to facilitate such interaction and integration, the District would prepare a sort of perspective and indicative plan for all the Backward Blocks falling within the District. It may also be necessary to develop strategies for compact homogenous backward areas covering more than one block within the District to constitute the radical framework of action for Block plan. Planning coordination would also be necessary to eliminate contradiction, inconsistencies, discrepancies and over lapses among the scheme worked out by the different Departments and to render the Block level schemes mutually compatible and supportive in order to increase their overall developments impact. Taking into account all these requirements a District planning Cell for the backward areas should be created which should have :

Chief Planning Officer (Statistician/Economist) Cartographer/Geographer, depending on the needs. Research Assistants, depending on the needs plus required secretarial assistance.

Technical support to this Planning Cell should be provided by the technical staff of the various Departments working in the District. It is felt that there

should be no need to augment this technical staff expect in certain cases, depending on the magnitude of work.

While preparing district plan it would be ensured that District level elected representatives are fully associated and so also selected representatives of poor and disadvantaged people in the District in finalising the programmes and their implementation. Voluntary agencies should also be involved. Voluntary agencies can play a very important role in formulation and implementation of Plan schemes and programmes.

#### C. State Level

There should be a high powered Steering Committee at the State level to provide the necessary direction and guidance on major policy issues connected with the development of backward areas, particularly in Block Level Planning and implementation.

This Steering Committee should have the Chief Minister as Chairman and Ministers for the key sectors in rural development such as Agricultural, Industry, Health, Education, Irrigation etc. as Members. The Planning Secretary should be the Secretary of this Steering Committee. The existing technical functional cells, which have already grown during the Fifth Plan period, and have been set up with the assistance of the Central schemes of strengthening of planning machinery at State Level should provide the necessary technical and secretarial support. In the case of those states which have not so far fully set up such cells, steps will have to be taken to ensure that these are set up immediately. In particular, the State Planning Department will be responsible for the following functions :—

- (a) Issue of guidelines
- (b) Allocation of material and financial resources
- (c) Provision of monitoring performance and benefits
- (d) Corrective reorientation
- (e) Training

#### 4. Implementation and Organisation

(a) *State Level* : Apart from the Steering Committee suggested under planning, which will also guide the implementation of all the programmes of backward areas in the State, there shall be a Backward Areas Development Commissioner, on similar lines as the Command Area Development Commissioner at State level. Planning Secretary would function as *ex-officio* Backward areas Development Commissioner and the Planning Department with such suitable strengthening as necessary would provide the secretarial assistance. In case, however, in a particular State the extent of area declared as backward is substantial, that is more than 60% of the State and the work involved justifies the creation of whole time officer, this would be decided upon by the State. The Backward Areas Development Commissioner would not only be incharge of Planning and implementation but also of monitoring the progress as well as con-

trol the budgetary and financial allocations. It may however be mentioned that the Command Area concept itself is varied and the State should opt for the best form for co-ordination.

(b) *District Level* : There shall be an Agency under the Societies Registration Act on the lines set up for SFDA, DPAP etc. under the Chairmanship of the Collector of the district who could be designated as Chief of Project Officer for the development of backward area with the District. The Board of Directors of the Society shall consist of the representatives of Zila Parishad, etc; heads of Technical Departments at the District level, representatives of the Lead Bank, General Manager DLC, Block Development Officers of the Block identified as Backward would be permanent invitees to the meetings of the Board of Directors and a few selected representatives from the weaker and disadvantaged sections of the population of the District, and Cooperative institutions would also be represented. The Agency would be responsible for planning, direction and superintendence of all programmes in the backward Blocks. All monies allocated by the State/Central Government would flow to this society and it would be accountable to the State Government as well as to the A.G. Unspent monies received would not lapse at the close of the financial year and the Society would have greater flexibility otherwise.

While the Collector will be the Chairman of the Society, there will be an Additional Collector who will be the GPO for the district and be incharge of all developmental programmes directly. He would also be the Chief Executive Officer and made Secretary of the Agency.

The entire staff of all the Developmental Departments working in the District would be directly responsible to the Collector and the Chief Project Officer both for administration and day to day control. Technical guidance will, of course, be provided by the Divisional and the State level Officers where necessary. The Collector will be given the powers of the Heads of the Department, as has been envisaged in the set up of the Command Area Development Commissioner to enable him to exercise effective control over the staff of the Development Department and to take work out of them.

In the ITDP project, an officer of the ADM level is employed to coordinate various programmes and projects applicable to a tribal Block. It could be considered whether instead of burdening the SDO with the coordination problem of planning and implementation of the programmes and projects in the backward Blocks in the sub-Division, whether a project officer on the pattern of ITDP should not be engaged who should coordinate the planning and implementation of the programmes and projects, in a group of backward Blocks and be directly responsible to the District Magistrate, who has already been proposed to be designated as Chief Project Officer. How many Blocks should be put under such a Project Officer could be left to the States to decide depending on the local needs.

*Block Level* : The Block Development Officer would be designated as the Project Officer for the

Block declared as backward. As in the case of the District, the entire staff in the Block would function under the Project Officer, technical guidance being provided by the District level Officers/State technical Officers. There will be no separate programmes and the Project Officer would be incharge of all development activities, whether normal or special. No additional staff other than what has been suggested for creating a planning Unit at the Block Level should ordinarily be necessary but this would depend on the magnitude of the work and the programmes undertaken.

#### 5. Credit

The Commercial Bank's programme of 'Adopted Villages' should be linked up with the Growth Centre approach and the Banks take greater responsibility for familywise planning and credit. The Lead Bank should ensure that each Growth Centre has a Bank of Cooperative responsible for comprehensive Multipurpose Credit to all families.

#### 6. Inputs and Marketing

A cooperative society on the line of "LAMPS" would be organised in each Block. It should cover a population of 20,000 persons. More LAMPS would have to be set up if the population covered is more than 20,000. LAMPS can have branches where necessary. This society would be incharge of providing inputs, services, raw materials as well as purchases of the produce in the village whether agricultural or non-agricultural. The Agency at the District level will ensure its linkages with the apex institutions so that the produce purchased by it is taken over by the apex institution and LAMPS is not burdened with stock and locking up of capital—LAMPS would also deal with distribution of essential commodities and open fair price shops in the Block, where necessary.

#### 7. Plan allocation and Budgetary support

This is being dealt with by a separate Group and its recommendations would cover this point.

#### 8. Personnel

This is being separately considered in the light of the recommendations made by the Renuka Ray Committee Report and the Committee recently appointed by the Ministry of Home Affairs under the Chairmanship of Secretary, Department of Personnel.

#### 9. Communication

It is essential in the backward areas that proper rapport should be established between beneficiaries the local functionaries, be they tribal people or other backward areas people. There should be one communicator in each village whose job would be to inform and educate the people in the village about the programmes undertaken by the Government, their needs and difficulties to the notice of higher authorities and assist the villagers in taking advantage of all the programmes. He would not be a Government Servant but would be an honorary worker. An educated young man in the village should be selected and give a suitable honorarium of, say, Rs. 100 per month to do this job.

In the case of tribal village, it is essential that this worker should be chosen from the tribe concerned, even though more educated people, who do not belong to the tribe are available. To avoid vested interest being created, it would be desirable that a new worker is appointed after two years or earlier.

#### 10. Financial and Administrative Powers

The Chief Project Officer, that is the Collector of the District should be given due financial powers to execute the schemes once these have been approved and sanctioned by the Competent Authority. The Chief Project Officer should also be given adequate administrative powers to control the staff working in the backward Block.

#### 11. Central

An Additional Secretary/Joint Secretary out of the existing posts in the Ministry of Rural Reconstruction would be designated as Director General, Development of Backward Areas. His duties would be to monitor and evaluate the progress in the implementation of various programmes. He would also coordinate with the other concerned Ministries about the release of funds, etc. like tribal development with Home Ministry, Rural Health with Health Ministry, Education with Education Ministry and drinking water with Ministry of Works and Housing. No additional staff would be necessary. The existing staff for special programmes should be more than adequate to provide the necessary set up for this purpose as the intention is that all special programmes would now be taken as a 'whole' in each Block. Such of the areas as are not declared as backward but where special programmes are functioning like SFDA, etc. can be handled as at present.

*Administrative Structures, Manpower Requirements  
Delegation of Powers, Incentives and Training of  
Staff in Backward Areas*

1.1 The Working Group on Organisational Structures has already accepted in principle, the project approach, on the pattern of ITDPs, for a comprehensive total development of the project area. Each project will consist of 2 or 3 identified backward blocks, depending upon the needs and size of the area.

1.2 The concept of planning for total development and its execution as a time-bound programme, will require well considered counter-part administrative output. Unity of command is an essential element of any administrative system. This is more so in backward and tribal areas and has already been accepted, in principle, in the broad framework of the administrative structure. Special measures have already been taken to deal with speedier development of several areas, like the command area development, hill areas and the tribal areas where this concept has recently been introduced. Single line administration is also prevalent in many of the North Eastern States.

1.3 A good and efficient administrative system, is *inter alia*, expected to play a role of innovator and pace-setter for socio-economic changes in the backward areas. An Intensive Development Project will be quite a large area and the programmes likely to be undertaken will be varied enough to require adequately high level of in-puts, both technical and non-technical. Therefore, a strong multi-disciplinary leadership at the project level will have to be conceived. Whatever organisation is entrusted with the task of development of the backward areas will have to address itself at every moment about its efficiency in these areas. The leadership of the team is, therefore, going to play a very important role. Recognising this, it has already been decided that the Collector and District Magistrate would provide this leadership.

1.4 The span of control of the project authority also need to be discussed in detail. A number of models have been tried for different purposes in the developmental history of our country. Generally, special organisations have been entrusted with the administration of specific programmes. The scope of these programmes, in its turn, is defined for the purpose of the initial grant. Block Development Committees, Tribal Development Agencies, Small farmers and Drought Prone Areas Agencies, or the last to come on the scene, command Area Development Authority are some examples of different models.

The Block Development Committee, in its original form, was expected to guide the entire developmental process of the relevant area. Its advise was sought,

and sometimes made mandatory, even in those programmes which were not funded by the block budget. This institution, however, did not grow and its authority got slowly circumscribed to the narrow limits of the programmes in the block budget. Similarly, the Tribal Development Agency (TDA) was initially expected to have a very wide frame of total development of the area. However, as the TDA projects got progressively limited to production programmes their role got reduced to that of administering a specific programme. The Small Farmers and Drought Prone Area Development Agencies are also conceived to take care of some specific items within specified outlays. The Command Area Development Authority, which has been created for ensuring integrated agricultural development of the region which have good potential and where heavy investments in different sectors have already been made, has a much wider frame. It has within its purview the entire agricultural and allied sector activity which includes extension, irrigation, development of marketing, credit, etc. Nevertheless, it is an important step towards integration of authority. The extreme model of single line administration is in the North-Eastern region or Ladakh where the District Magistrate is the Development Commissioner and has under his command the entire administrative and developmental functions in the area. While such a model may be necessary in some of the more backward regions, the unified command generally will have to be of the inter-disciplinary character. The Command Area Development Authority is perhaps nearest to the model needed for the backward areas. The IDP project should have under its command the entire non-regulatory administrative apparatus in the project area. Since the Collector and District Magistrate will be the leader of the team of all the projects in his district and will also be the head of the regulatory administration, the developmental and progressive functions will have an organic linkage and can be expected to function in unison. The approach for an IDP will be very similar to the one-man single-line command model, with built-in-multi-purpose characteristics.

1.5 *Thus, the Intensive Development Project Organisation will be largely an entity comprising the existing administrative units in the project areas. No part of the administrative or developmental apparatus in the area will be outside its command.* A question at this stage can arise whether such an approach will have any special characteristics which can distinguish it from traditional administrative structure. If under the new approach, the proposed organisation is to be a conglomeration of the existing units, it may in reality be merely a new name for the same old system. If the present system has not delivered the goods, how could it be expected that a mere re-naming will give it the necessary drive and dynamism.

At the same time, past experience has shown that a new body/organisation, set up with the best of intentions, loses, with the passage of time, their initial drive and even become dysfunctional. Whatever may be the rational grounds for creation of a new organisation, it adds to the mass. The best would appear to be to introduce such innovations as are necessary to fit in with the total developmental approach. Such innovations can succeed only if these are attempted within the existing structures by changing them, re-moulding them and fusing them together without adding to its masses. It is not, therefore, proposed to create any new organisation but to initiate the new strategy, with the fusion and rationalisation of the existing structures.

1.6 What should be necessary for the fusion and rationalisation of the existing structures in the backward areas, strengthen them where necessary, with a view to make the administration a fit instrument for the new task of development, are discussed in the paras below :—

(a) *Restructuring* : The socio-economic situation in many of the backward including tribal areas is extremely simple and should not require a high-level of specialisation of functions. As such the project organisation should have adequate powers for implementation of programmes and should have at its disposal an adequate technical in-put at the project level itself. So long as each minute speciality attempts to reach the village through its own specialised agency, a large number of specialists will be necessary who cannot all be but of a lower level. Provision of higher level technical expertise in each specialisation will be too costly and will also result in under-utilisation of the scarce technical man-power. Therefore, the developmental activities and functions in the IDP may have to be grouped into a number of broad specialisations. These may include (1) agriculture and allied sectors; (2) Forestry (in Projects where forest resources are important); (3) Health Services; (4) Social Services (5) Engineering Service and (6) Industry and Employment. Each broad group may be headed at the Project level by an Expert in a sub-specialisation which may be the most important for the area. For example, if in a project, road development has been given the highest priority the head of the engineering services could belong to the Roads Branch. Similarly, if irrigation is the most important element, an engineer belonging to irrigation may be the head of Engineering Wing. The intention here is not to do away with departmental heirarchies within the project area but to bring each of the broad technical disciplines under a unified command so that the work load is more evenly and rationally shared by all concerned. In this case it will be possible to disperse scarce technical man-power evenly in the project area and redefine their functions in such a way that high level technical expertise is available nearest to the point of execution. Thus, although Executive Engineer (Irrigation) may take care of irrigation works only an Assistant Engineer (Irrigation) stationed in an area could supervise small road projects for building programme being executed in the neighbourhood. Similarly, it should not be necessary for the Irrigation Engineer to visit even the smallest tank for routine inspection when an Assistant Engineer in the

Roads branch is posted in neighbourhood. In effect, therefore, at the Block Level there would be re-distribution in the context of local needs, functions without necessarily disturbing the organisational structure. In such a case the project can afford to have the services of a senior engineer as head of the Engineering Division who may oversee the entire Engineering services in the project area. This will help in upgrading the technical at the project level. For example, instead of two Executive Engineers one each for the Roads and Irrigation sides and an Assistant Engineer on Public Health Side, all working independently, there may be a case for one Superintending Engineer belonging to one of the branches in over-all command of engineering services for the project at the district level. The suggestion may appear to be an attempt at putting the clock back. But it may be noted that the organisational structures in the early stages of development in other parts of the country were similar to that what is being suggested. Specialisation has to be a function of economic activity, level of development and social situation. It is realised that it may not be possible for necessary to reverse the whole process in all cases but rationalisation and fusion of functions has to be brought about in these areas in relation to all the departments having State or region level cadres. There are some services which have the district or lower cadres. The structures of these services should be fully revised. Fusion of functions and rationalisation of structures in their case can be brought about by clearer definition of functions and assessment of work load for each item. Such a programme should not create any difficulty in the case of the district and lower level cadres. *It is, therefore, recommended that in an Integrated Development Project. It would be useful to have integration of specialised functions within the same-broad discipline under the charge of a sufficiently senior officer, each in-charge of the following broad specialisations :*

- (i) Agriculture and allied sectors;
- (ii) Forest services (where forests are an important source);
- (iii) Health Services;
- (iv) Social Services;
- (v) Engineering Services; and
- (iv) Industry & Employment.

*All Sub-specialisations within each broad specialisation may be under unified command of the head of the division. While existing departmental heirarchies may continue the functions at power level may be made broad-based and redefined. In the case of district and lower level cadres structures may be rationalised by assessment of work load and re-defining the functions of each unit where necessary.*

(b) *Relationship of Integrated Development Projects and Panchayati Raj and other elected institutions :*

*Although the administrative structure of the block may be retained, it should be a part of the larger structure of the Integrated Development Project, as such an arrangement will remove the possibilities of*

any problems arising from disharmony of relationship between the Integrated Development Project and its constituent blocks.

It would be essential to delegate certain responsibilities to the block level. There are certain items like primarily education, minor irrigation, household industries etc. which can be meaningfully planned within a smaller frame than an Integrated Development Project. *An attempt has been made in the Annexure to demarcate the functions at the block level, Integrated Development Project level, district level and State level.*

*Block unit should continue, however, to be the unit for planning and execution at the micro level but within the overall frame provided by the Integrated Development Project and under its command. An Advisory Committee at the block level may be constituted while investment may be monitored upto the block level there should be no attempt to formalise any schematic pattern. Since an IDP programme will be prepared with reference to the specific requirements of each IDP, the requirements of the block or sub-block units would necessarily be taken into account and any inter-regional disparities within the project are removed.*

There is no uniform pattern of Panchayati Raj institutions in all States either with reference to their area of coverage or their role in planning or execution of developmental programmes. *Therefore, integration programmes, as well as streamlining the structures with a view to eliminate duplication, will need to be worked out specifically in terms of the pattern obtaining in each State. In all areas the basic objectives of purposive, time-bound and effective programme implementation must not be compromised for any consideration whatsoever.* It may be noted that many a time the interests of the weaker sections of the community have been compromised or ignored because some organisations are controlled by the stronger sections where as it will be necessary in each case to devise legal or other methods to ensure that this aberration is corrected, the executive authority should be clearly defined and responsibility squarely placed so that there is accountability in the matter of programme implementation and the results.

In those cases where the Panchayati Raj institutions have been created at the block level, the structure will need to be modified because in the new scheme the basic unit will be a sub-structure of this unit. As the administrative structure at the block level bodies will have to get subsumed in a bigger unit, the role of the block level bodies will need to be redefined.

The bodies should, however, be associated in the advisory capacity in respect of micro level programmes. They may advise the Project Authority in project formulating relating to the block area and should be also periodically review the progress of implementation. With the increased tempo of activity at different programmes defined, there will still be some areas needing discretion in selection of programmes, beneficiaries and locations. The Block-level Advisory Committee may be associated in these matters by the Project Authority. In the scheme of

delegation in the IDP B.D.O.s should have adequate powers. In certain cases, Advisory Committees may be required to be consulted. This will provide an opportunity of greater inter-action between the administration and people. The Chairman of the Block-level Advisory Committee should be an *ex-officio* member of Project level Advisory Committee. This will help in establishing a channel of communication in the non-official net-work between different levels. The relevant statutes may be suitably amended. *The Funds, which under the existing arrangements flow to the block level bodies for general developmental programmes should accrue to the Integrated Development Project. There should however, be no separate fund for each block although suitable accounting and monitoring procedures should be evolved so as to ensure equitable geographical distribution of benefits of the total developmental outlays.*

It is, therefore, suggested that in those, States, where Panchayati Raj institutions have been established at the block level, Panchayati Raj administrative structure should get sub-sumed in the structure of the Integrated Development Project. The block level programme should become a part of total programme of Integrated Development Project Area. Suitable monitoring and accounting procedure should be evolved for assessing geographical spread of flows of benefits. For each block, a block level advisory Committee may be constituted with more or less same membership as for the Panchayati Raj institution but inclusive of the concerned heads of disciplines at the block level and some representatives of the weaker sections of the population in the block. The Chairman of the block level Advisory Committee should be *ex-officio* member of the Project level Advisory Committee.

In some States Panchayati Raj institutions have been established at the district level. As the basic unit for the development programme is a Project, and not the district, therefore, the structure of Panchayati Raj institutions will need to be suitably amended. In most cases the project area may be only a part of the district. In some States most of the developmental programmes have been entrusted to the Zila Parishads. In these cases the bifurcation of the developmental and regulatory functions have been completed. This bifurcation will need a review in backward areas since developmental and regulatory functions do not have a sharp dividing line there. The project Director should be vested with the revenue and regulatory powers so that the entire administrative structure in the area is under his command.

#### (c) Delegation of powers

No authority at the Union or State Government level can force all situations in the backward areas. Therefore, no programme should be ruled out in the IDP on the ground that it does not conform to a pattern. The guidelines of the Planning Commission for preparation of blocks plans are clear on this issue. But this discretion to question the 'Rules' procedure and structures should not be a 'once and for all exercise' when such plans are prepared and discussed by the Planning Commission. Such sub-plans are generally formulated on a rather inadequate information-base. Therefore, the objectives of the sub-plans

strategy can be achieved only if this questioning spirit informs all stages of planning and implementation and adequate discretion of effect change in its vested in the field organisations. *The Project Authority should be given discretion to decide about the changes in any programme which they may consider essential for a local area. No sectoral authority should have the powers to over-rule the recommendation of the IDP authority. In case of difference of opinion between the Project Authority and the sectoral authority, the matter should be referred to the State level steering Committee. This committee may give the Chairman or the Project Directors the opportunity to present the case personally before a final decision is taken. The decision of the State-level Steering Committee should be final.*

It is, therefore, recommended that the project administration should be given fullest discretion to decide about the changes in any programme which it may consider to be essential for a local area. No sectoral authority should have the power to over-rule the recommendations of the Integrated Development Project. In case of difference of opinion between the project and sanctioning authority it may be referred to the State-level Steering Committee or such other body which may be created at the State-level whose decision should be taken as final. Success of a project will depend to a large extent on how effective the project authority is made through adequate delegation of powers by the State Government. Adequate powers should be delegated to the project authority.

## 2. MAN-POWER

### (a) Development of personnel

It is quite possible that the rationalisation of organisational structure and personnel in each project area may reveal considerable spare capacity in the organisations. This can be used for additional work load likely to be created by the new developmental effort. Much spare capacity may particularly be available at lower levels because such organisation at present is trying to reach the field level through an independent hierarchy even though all of them may not have adequate work load in the sparsely populated tribal areas. However, the same logic leads us to the conclusion that higher level technical expertise may not be available. Each functionary may be looking to the district or the regional level for guidance in its respective field. The greater work load in the IDP therefore, may require upgrading of certain service level posts. Since the Project Authority is being conceived as a fusion of different technical units, strengthening of structure may require creation of higher level posts in the technical cadres of respective departments. *It is suggested that technical officers working in the project area should be on the regular strength of the respective cadres. There should be no deputation to the officers of the project authorities. The requirements of additional personnel in the IDP area should be made by suitably upgrading Departmental posts adding to the regular cadre strength of the concerned technical department at an appropriate level.*

### (b) Chief Executive of the Project

While it has already been accepted that the Collector and District Magistrate would be the Chairman of

the society proposed to be created and provide the overall guidance to the one or more IDPs in his district, *the day-to-day responsibility for the developmental activities in the project area should be with a full time officer who may be designated as Project Director. The Project Director should be the overall incharge of the execution of the total IDP programmes. He should ensure that there are no bottleneck and programmes are executed as per directions of the Project Authority. He should also be a person who has the feel of the area, is in close touch with the people, can be approached by an average citizen in the field and can be expected to provide him a satisfactory answer in relation to any matter brought to him. The Project Director should also have full allegiance of the entire field, staff, who should respond spontaneously to his command. The Project Director should be expected to be the moving spirit in the Project. It has to be appreciated here that in the backward area particularly in remote tribal and hill area it is the regulatory administration which is synonymous with 'Administration' and unless an active and positive response is forthcoming from this group, the developmental functions are not likely to find the necessary response from the people. This has, however, to be transitory phase for five to ten years. Therefore, with a view to ensure totality of administrative effort at the lowest level, the Project Director should have the full authority of regulatory administration as well.*

### (c) Manning of the posts

Broadly speaking there will be three major categories of public servants for planning and execution of the programmes in the backward areas :

(a) Administrative and senior supervisory category at the headquarters for supervisory duties, research and planning, (b) Administrative and supervisory category at the project level and the block-level and (c) Field organisation.

(i) A suitable system would have to be devised to ensure that the selection of officers is based with a view to posting such of them in backward areas who could take up the challenge of difficult work and who have requisite sensitivity, aptitude training etc. The selection would have to be institutionalised at all levels i.e., State, District, IDP and Block. It is, suggested that this aspect should be brought to the notice of all the Central and State-level institutions where direct entrants, who, in due course, are going to occupy the supervisory positions, are trained, so that they should be in a position to select the best material who are capable of taking up the challenge of this difficult work. They should be given adequate re-orientation and training in institution itself.

(ii) Considering amenities and facilities available in the backward areas, barring perhaps the district headquarters and some other big towns, and the general reluctance observed on the part of the Supervisory officers to get posted to backward and inaccessible areas, steps should be taken to amend the service rules making it compulsory for each future direct entrants to serve for at least 3 years in the areas which are specifically identified as backward.

(iii) As far as possible, barring perhaps the senior administrative and supervisory posts, where experienced officers would be necessary, direct recruits, after suitable training should be posted to the backward areas as in their case the children education and health problems would, comparatively speaking be much less, at the least to start with. They should not be kept for more than 3 to 5 years in the backward areas and an incentive should be offered to them that, on satisfactory completion of their tenure in the backward areas, they should be asked for their posting to a station of their own choice.

(iv) Where officers other than those taken at the direct entry e.g., either promoted within the cadre or promoted from other cadres are posted it should be ensured that the first posting on promotion is to the backward areas. In case any reluctance or diffidence is found on the part of the officers so posted, service rules should be so amended as to deny them the promotion for one year. This is nothing new. It is even now a part of the rules governing promotion cadres transferable to any place. The intensive of giving them a station's choice should be available to them as in the case of category mentioned at (iii) above.

(v) Attempt should be made to recruit the field level and other similarly placed workers from within the project area to the extent possible. All new recruitments should be made, at least district-wise, of such lower cadres.

### 3. TRAINING

(i) Special courses on tribal culture, hill area culture and on problems of backward area development

should be made a part of the curricula of training at the entry points for States, Central and all-India services. For those who have not undergone these courses, orientation-course should be organised. Refresher courses should be a regular feature and so also the in-service training.

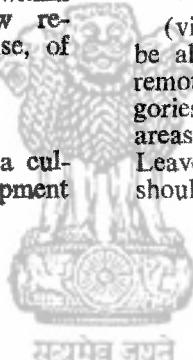
(ii) Adequate arrangements should be made for training of all personnel in the project in particular discipline which is more practical than theoretical. Refresher and in-service training should be an important feature in this case also.

(iii) Rewards should be made available for learning local tribal languages and dialects and corresponding dis-incentives be applied in case of those who fail to do so.

(v) As mentioned earlier a minimum service tenure should be prescribed for all those serving in the backward areas and an incentive should be offered that an satisfactory completion of their tenure they would get station of their choice.

(v) Recognition ought to be accorded to service in backward areas through special entry in the Annual Reports, weightage for each year of services for the purpose of promotion etc.

(vi) Compensatory allowance or special pay may be allowed to those serving in inaccessible like hill, remote tribal areas, etc., graded in two or three categories relative to the backwardness or handicaps of the areas, the maximum being 33 1/3%. In addition, Leave Travel Concession and children education rules should be suitably liberalized.



**ANNEXURE**

**DISTRIBUTION OF FUNCTIONS AT VARIOUS  
LEVLES**

***Block Level***

1. Education upto higher secondary level where possible
2. Elementary Health Services
3. Agricultural extension
4. Suply of Agricultural inputs
5. Smaller minor irrigation Schemes
6. Elementary veterinary services
7. Multi-purpose cooperatives societies providing integrated services of credit marketing, supply of inputs, smaller godowns at market centres
8. Organisation of local Panchayats
9. Household industries
10. Village Approach Roads

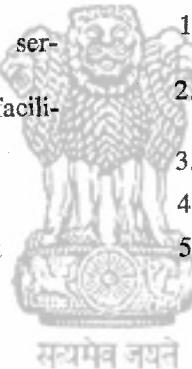
***IDP and District Level***

1. Higher education
2. Technical and vocational training
3. Man-power planning and employment services
4. Advance health services with referral facilities
5. Agricultural Research Extension
6. Seed Multiplication farms
7. Soil Conservation and Land management

8. Apex Integrated Credit Marketing Structure with adequate godowning and buffer stock facilities
9. Distribution network of power, rural electrification etc.
10. Development of road and communication infrastructure connecting markets with State/districts highways
11. Local resource-based industries with adequate market linkages
12. Forest management
13. Horticulture development
14. Complementary development programmes in the hinterland and bigger industries
15. Minor and medium irrigation projects
16. Research, statistics and evaluation.

***State Level***

1. Coordination of activities in Integrated Development Projects
2. Direction of the various sectoral programmes in the projects
3. Industrial and mineral development
4. Marketing support to projects
5. Evaluation



## APPENDIX—VII (III)

*Note on methodology of Central and State Plan allocations for the backward areas, budget provision and financial control.*

### *Background*

The approach on the organisational and administrative structures for the development of backward areas envisaged that the broad approach for the development of backward areas would be comprehensive development approach, the "Block" being the unit for the purpose of identification as "backward" and also being the unit for purpose of planning and development. All programmes in a block, where considered necessary, are to be implemented to a broad approach on the lines of the integrated tribal development project, the project consisting of one or more blocks, the actual size being left to the State Government, depending on the local needs and its requirements.

Based on the above approach, conditions are likely to vary from state to state. There could be the possibility of their being only one Comprehensive Development Project (CDP) in a District, there being more than one project in a District, some of the Projects being not co-terminus with those of the Sub-Divisions, some projects having blocks spread out in more than one Sub-Division etc. There could also be the following situations so far as State, as a whole, is concerned, namely:

- (i) The entire State like Arunachal Pradesh being declared as backward.
- (ii) More than 50% of an area in the State being declared as backward;
- (iii) Less than 50% of the area in the State being declared as backward.

Again there could be situation where all the areas classified as "backward" as per the criteria recommended by the NCDBA and accepted by Government may not be susceptible either to a project approach or to a comprehensive development approach, as in some areas only particular programmes which may, by and large, be beneficiary oriented are required to be taken up to improve the conditions of people in that area.

Any methodology for allocation of Plan resources for the backward areas must provide for adequate weightage to enable a speedier and appropriate development of these areas.

### *2. Posting of Development Investment*

For comprehensive development of a region, it is necessary that the total investment for development from all sources is brought within the purview of the planning and implementation authority for that area. The main sources of investment would be (i) the State Plan, (ii) the Central Plan (funds of centrally sponsored schemes), (iii) Central additive, if any, (iv)

Fund of the local authorities if any and (v) institutional finance.

The Central additive envisaged here will be analogous to special central assistance for the tribal sub-plan. The role of Central additive would be to supplement the allocations available for the development of backward areas and to fill up gaps for which no resources are readily available.

Investments available from local authorities can be sizeable and they should not be left out in any comprehensive planning; for not only they might be sizeable but even otherwise they would be very significant in the involvement that would be implied. The regulated markets are an instance in point which can generate substantial resources for the development of the area in which the regulated markets are located.

The investment of the Central and the State Government is generally fragmented into a large number of sectoral programmes operated by numerous departments/organisations. It will be necessary to ensure optimal utilisation of the total investment available in the context of the requirements of each projects.

### *3. Pooling of Resources in the State Plan*

It would be necessary to work out the methodology for pooling of resources. In the first instance, the order of investment of the entire backward region in the State will have to be determined. The relative proportion of the total outlay flowing to the Backward and the non-Backward Areas should be related to the population and the areas.

As regards the methodology, it is recommended that the total State Plan outlay, including Central Assistance available under Gadgil and IATP formulae which forms part of the State Plan, would first be divided into divisible and non-divisible portions. Care will have to be taken to ensure that no attempt is made to inflate the non-divisible pool and only such items, as are really not divisible should be included in the non-divisible pool. To illustrate major and medium irrigation projects, power projects and similar such projects would be in the non-divisible pool, but all roads and bridges need not necessarily be included in the non-divisible pool.

Even in regard to major and medium irrigation projects, if there are any projects which are to be located in the identified backward areas, priority should be given in making allocations for the projects in the backward areas and the allocations for such projects should be clearly taken to the backward areas sub-plan. It should also be ensured that allocations already earmarked for backward areas and classes like hill areas and tribal areas etc. are not reduced; in fact there should be a gradual increase every year in the overall resources earmarked for such areas.

Based on the above factors, the divisible pool outlays out of the State Plan allocations should be worked out. The divisible resources would be worked out on the basis of the following

- (a) Calculate non-divisible resources intended for such items as are for the benefit of the whole State and are not susceptible to any division between the backward and non-backward areas e.g., the power projects, major and medium irrigation projects (where these schemes cover both backward and non-backward areas but where these schemes are only to benefit the backward areas, these would be separately listed and plan funds allocated on priority basis).
- (b) Calculate what is already earmarked for such areas and classes as are backward hill, tribals, desert etc. with a suitable progressive increase every year.
- (c) Excluding (a) and (b), the remaining State Plan resources would be regarded as divisible.

After giving a careful consideration as to what should be the most equitable formula for dividing the divisible outlays, that is those listed at (c) above, between the backward and non-backward areas, it was felt that such a formula should be such as would give some weightage to the backward areas. It is recommended that the State Plan outlays for the backward areas should be worked out on the basis of 50% of the population and 50% of the area comprising the backward areas.

#### 4. Sub-Plan for Backward Areas

The Plan allocation worked out on the basis mentioned earlier would then constitute a State Sub-Plan for development of backward areas. This would comprise :

- (a) Provision for such schemes which are intended to be allocated in the backward areas;
- (b) Provisions, with suitable element of increase already earmarked for areas and classes as are defined backward like hill, tribals, desert etc.; and
- (c) The allocations worked out of the divisible pool on the basis of the formula in the foregoing paragraphs.

Once the State Sub-Plan and the total outlay for the backward areas has been determined, the provision for such schemes like power, major and medium irrigation projects would be taken out as addition to the project or projects where the schemes are situated. The remaining Plan provision would then be disaggregated on the basis of a project or even a District where the whole District is declared as backward or in some cases even Sub-Division. As there are going to be disparities even within the backward areas which are, comparatively speaking, somewhat more backward. For this disaggregation, it is recommended that this should be done on the basis of weightage of 50% of population, 30% of the

area and 20% of income generated. As indices of income generation are not likely to be readily available, it is suggested that till such time reliable indices become available for giving weightage to the less backward areas, disaggregation may be done on the basis of 50% of population and 50% of the area.

#### 5. Central Assistance

The block assistance to the State Governments under the Gadgil and IATP formula has already been dealt with in the foregoing paragraphs. It is now proposed to discuss as to how far the Plan funds available in the Central Ministries in the Centre and Centrally sponsored scheme could be apportioned between the backward and non-backward areas of the country.

The Central schemes consist of both 100% assistance programmes as well as those of share between the Centre and the States. It is recognised that one of the basic approach for taking up Centrally sponsored programmes is to give priority to certain identified sectors which are considered essential in the national interest. Yet it cannot be denied that there are a large number of schemes which are intended to develop certain key sectors all over the country. It is suggested that the Central Ministries may carry out a careful exercise and determine what all of their schemes are of universal nature and can be divided between the backward and non-backward areas. There should however, be no difficulty in regard to schemes which are intended only for the benefit of backward areas.

As has been suggested in the case of State Plan, it is recommended that each Ministry should work out a list of schemes which they can consider classified as divisible. Once this exercise has been carried out, the total outlay available for these divisible schemes could be apportioned between backward and non-backward areas of the country on the basis of weightage of 50% for population and 50% area in the backward regions of the country. Ideally of course the best formula would be to work out allocations for the backward areas on the basis of 50% population, 30% areas and 20% income generated in the backward areas. Unfortunately the income generated in backward areas is not yet available. In case it is possible to have any other reliable indices of backward and forwardness that may be followed. Till such time, however, as reliable indices do not become available, the rough and ready formula would be to give weightage of 50% population and 50% area as suggested earlier.

Once this exercise has been carried out, Central Ministries could undertake specific schemes in accordance with their existing guidelines in the backward areas. In respect of Central schemes where sharing is on the basis of 50% grant from the Central Government, it should be ensured that matching grants are always available from the Central Ministries in case State Government has made provision for these schemes in the backward areas. The intention here is that in case adequate funds are not available with

the Central Ministries to meet the entire 50% matching grant priority should be given in respect of the schemes for backward areas.

#### 6. Budget provision

The entire outlays for the backward area development on the basis of the formula indicated earlier, should be shown under one demand for presentation for sanction of the State Legislature. The Comptroller General of India has already agreed to such an arrangement in a couple of States, under which the provision of all the functional major budget heads are grouped under one demand and it is this demand which is presented for sanction to the State Legislature. This would result in non-diversion of Provision for development of Backward Areas to activities in other areas of the State. This demand would clearly indicate the disaggregated provisions for various development sectors. There should be a minor head "Comprehensive Development Project" to distinguish the expenditure incurred in such Backward Areas as are taken up on the basis of a Comprehensive Development Project from the expenditure incurred in respect of the remaining backward areas. While the disaggregated budget provision indicated under the major demand would continue to be operated upon by the appropriate administrative departments in the normal way, they will, have no authority to re-allocate the funds earmarked for the backward areas to any other non-Backward Areas without the specific approval of the Backward Areas Development Commissioner or similar other competent authority in the State. The administrative departments controlling officers would have the responsibility for preparation of budget estimates and submission of revised estimates etc. The administrative departments, however, would have the power to re-allocate funds within their own sector from one sub-sector to another sub-sector, in respect of the funds which are earmarked for the development of Backward Areas and are placed at their disposal. The project authority should be allowed to re-allocate funds from one sector to another as well as from one area to another, subject to clearly defined lines. At the State level, the Commissioner-in-charge of Backward Areas will have powers of re-allocation from one sector to another within the Backward Area Budget. Care would however have to be taken to ensure that these re-allocations do not change drastically the plans or the structure.

In disaggregating the budget provisions, under the various sectoral programmes in the backward areas, administered by different Departments of the State Government, it is strongly recommended that instead of utilising the entire budget provision for the ongoing programmes, at least 10% of the budget provision in each Department should be earmarked for taking up such schemes as are suited to the local needs and requirements, which should be formulated at the local level with the involvement of the local people in accordance with the procedure mentioned in the paper on 'Planning and Implementation'. These schemes should become normal programmes at the end of the Plan and this budget provision should increase every year by 10% so that in the last year

of a Five Year Plan 50% of the departmental budget is utilised for schemes formulated and drawn up based on the local needs and requirements.

#### 7. Nucleus Budget

The condition and level of development of various Backward Areas is not uniform. Some are developed to some extent whereas some are yet to pick up the development. With a view to meeting special requirements of projects areas as well as for taking up special innovative programmes, it is essential that some funds are earmarked out of the total allocations for the development of Backward Areas as nucleus budget. If this is not done, most of the plan funds may be absorbed by the ongoing programmes and very little is left for taking up new programmes particularly suited to the needs and capacity of a particular area through small bits which no Micro Plan can consider but vital for coordination and approach. It is also necessary to build up flexibility in implementation of Backward Areas Development Programme. It is therefore recommended that 10% of the total budget allocations for the development of Backward Areas should be earmarked as a nucleus fund which should be placed at the disposal of the project authorities who should be declared as Controlling Officer. The project authorities of the Comprehensive Development Projects should be given power to sanction any scheme from the nucleus budget on the advice of the Committee of Directors and Subject to the following conditions :

- (i) No recurring liability should be created for Government unless the concerned departments have undertaken in writing to run such schemes or projects after Sixth Plan period;
- (ii) the revolving fund for loans created from the Nucleus Budget should not be more than 20% of each years' provision;
- (iii) technical approval of the District Officer concerned should be obtained before works are approved from Nucleus Budget; and
- (iv) if the scheme involves a staff component, the same should be referred to the Backward Areas Development Commissioner for clearance.

The schemes undertaken under this nucleus budget will become part of the normal ongoing programmes so that nucleus budget is available for taking up new programmes/schemes in the subsequent year. This experiment has been tried with great success in Gujarat and has helped in the formulation, implementation and subsequent adoption of a number of schemes suited to local field conditions.

#### 8. Placing of Funds with CDP

The CDP authority would be expected to prepare its own programmes and plans, which should be sent to the Backward Areas Development Commissioner after due approval by the local Committee of Directors. Once the schemes and programmes have been approved by the competent authority at the State level, the CDP authority should be given the total

outlay reletable to the project areas for all the schemes approved therefore. They would of course have to be given policy guidelines by the State in preparing programmes to be undertaken by them but they should have complete freedom and flexibility to work out their own priorities.

In view of the fact that the project plan would have been prepared by the concerned CDP authority and sanctioned by the competent authority with reference to the resource availability, there may not be many concessions for substantial intersectoral changes. However, since the pace of implementation in different sectors may vary, marginal changes may be necessary.

#### 9. Unused Funds

Whatever efforts may be made and instructions issued experience has shown that it takes time at least in the first year of project to issue sanctions, etc. and invariably there are savings at the end of the financial year. This is further aggravated by the fact that financial year which is at present from 1st April to 31st March leaves practically only 8 working months as 4 months are taken away by rains etc. The Group has considered several alternatives as to what should be done by the savings in the approved budget programmes. Several suggestions have been made, constitution of the project authority as an agency registered under the Societies Registration Act, creation of a non-lapsable fund, availability of at least a part of the savings and addition in the next year's budget etc. The Group feels that as the intention under the CDP approach is to take up a total development of an area, it may neither be feasible nor desirable for the entire Government funds being placed at the disposal of a registered society even though Government Servants may be the controlling authorities in the agency. The Group, therefore, feels that the idea of an agency would have to be given up for Comprehensive Development approach. It is true that an institution like an 'agency' does

provide some sort of flexibility and would also be in a position to take care of the savings, but at the same time, the possibility of other abuses creeping in cannot be ruled out. Experience has shown that autonomous agencies, instead of being flexible sometimes become more rigid than Government departments and as they would have no fear of the funds getting lapsed at the end of the year there may be general inertia no enthusiasm in implementing this programme. The best course would appear to be :—

- (a) efforts should be made by the Backward Area Development Commissioner of the State to enjoin on the Project Authority to utilise the funds placed at their disposal for the purpose for which they are intended and a close watch kept on the savings with a view to fixing up responsibility.
- (b) 50% of the savings in a particular area may be allowed to the project authority as an addition in their next year's budgetary allocations if necessary, through a supplementary grant; and
- (c) In order to provide more working time, the possibilities of changing the financial year from April-March to July-June, as already recommended by the Administrative Reforms Commission, may be explored.
- (d) Intersectoral adjustment to avoid lapsing.

The Central funds should flow to the project authorities through the State budget as a part of the Project Outlay. The source of funding to Backward Areas Programmes should be a matter to be settled at the State level. The Project Authorities should not be required to render separate accounts in respect of the programmes controlled by the same Ministry. They should, however, keep separate accounts in respect of funds sanctioned by different Ministries and also prepare performance reports in respect of each programme.

## APPENDIX VIII

### *Comments on "Integrated Structure of Planning and Implementation of a Comprehensive Integrated Area Development Programme in Backward Areas at Block, District and State Level".*

#### *Rajasthan*

State Government accepts our approach with some flexibility in staffing pattern and monitoring etc. according to the needs of the area and existing pattern of the State.

2. At State level they are having State Planning Board which according to them may work as Steering Committee for backward areas.

3. To Plan, implement and control budgetary and financial allocations, special schemes organisation look after special programmes.

4. At District level, strengthening of existing District Planning Cell may be considered for backward areas, looking to the actual needs of the areas.

5. At Block level, State Government desires to give priority to formally declared backward areas in Rural Growth Centres or in comprehensive block development plan formulation.

#### *Punjab*

Punjab Government wants to give more emphasis on the development of agro-based industries and diversification in agriculture and confirms our 'Growth Centre approach as the concept of development.

2. Regarding Survey of every block to assess the felt needs, resources and development potential State Government desires that a suitable formula should be evolved to have the concrete policy decisions to devote special attention according to the needs of the area. They suggest that the maintenance of family cards will involve huge task and may not be easily correct, truthful and up-to-date.

3. To avoid difficulties in implementation, according to them. Planning Officer should be the Executive Officer at Block Level.

4. State Government does not feel the necessity of a separate Planning Cell at district level for backward areas; rather officer incharge of Planning can pay special attention.

5. To avoid duplication, there is no need of separate Steering Committee for backward areas at State level as planning of backward area, cannot be segregated from State planning as a whole. However, they are having an Advisory Council for sub-montane border and bet areas. Already appointed Project Officer-in-charge of one or more Districts coordinates the development works.

6. Separate Backward Areas Development Commissioner was not considered feasible. Joint Deve-

lopment Commissioner Kandi Areas and other Corporations look after the Scheduled Caste and Backward Classes.

7. State Government does not agree with the concept of linking 'Adopted Villages' with growth centres as all adopted villages cannot develop into growth centres and Banks may not take up family-wise responsibilities.

8. No change in the organisational set up of co-operatives is proposed except the tightening of supervision of their working.

9. Honorary workers are not needed to work as communicator between the beneficiary and the functionary as Gram Sewaks under the control of Block Development Officer are there to do the job.

#### *Maharashtra*

At the centre, an apex body was suggested by Maharashtra Government to assess resource endowment of each area, evolve suitable programmes and co-ordinate the efforts of various agencies involved in the development works.

2. At State level, besides Steering Committee, a separate Cell should be there to identify backward district needing special attention. It is necessary to have a balanced development of various identified backward districts.

3. While accepting our project approach, they suggested that there should be only one agency at the district level with Collector as the member to facilitate integration of administrative and political institutions to effectively implement the various programmes including the programme for backward areas in a coordinated way.

4. In view of the financial limitations, they advised the identification of needs of the Weaker Sections and backward areas, give them suitable priority over a certain span of time which will facilitate the formulation of concrete and time bound programme.

5. To meet the credit needs of the backward areas State Government thinks that the RBI should vigorously administer and monitor policy directives in respect of liberalised lending norms and procedures of rural credit as their needs are being met in a meagre and segmented way.

6. Regarding our approach of adopted village in Andhra Pradesh, they feel the commercial Banks should prepare themselves organisationally in advance with a view to adopt all the villages in a phased manner in consonance with the time bound programme in the backward districts.

*A SUMMARY OF THE STUDY OF DEVELOPMENT ADMINISTRATION IN KERALA STATE-FEBRUARY 1980*

The Working Group on Organisational Structures set up under the National Committee on the Development of Backward Areas had requested the State Governments to undertake an indepth study of the development administration in two districts in each State one a comparatively backward District and another a comparatively forward one. The indepth study was required in order to understand and evaluate the existing machinery, the organisation for the plan formulation and implementation of the development plans and programmes at the block and District levels. The Kerala state Planning Board constituted on 15th October 1979 a Committee on Development Administration to go into the various aspects of development administration in the State on the lines suggested by the Working Group on organisational structures and submit a report.

2. The two districts selected for the present study on Development Administration are Malappuram, a comparatively backward district and Ernakulam, a comparatively forward district. The scope of the study includes an investigation into the actual position regarding availability of technical personnel of various qualifications and their equation with the developmental programmes in the two selected districts. It also makes an attempt to investigate whether by a proper reallocation of duties and locations both of individuals and departments it may be possible to get more work out of the present equipment available in these districts. The study also proposes to analyse the strength, qualifications and job content of the various categories of staff in the development departments functioning in the two selected districts, with a view to offer suggestions, if any, regarding rationalisation and redistribution of the existing staff.

*Main findings and observations*

3. The present state of affairs with a multiplicity of agencies in certain development sectors of the state with overlapping functions in several cases, no doubt, is the result, partly of the trend of over-departmentalisation which still persists and partly of certain programmes being concurrently implemented by several departments on account of consideration of operational efficiency.

4. The number of sub-offices under the Dy. Director of Agriculture, Ernakulam comes to 63 and that in Malappuram 52. In addition to this, there are 18 offices set up by SADU in Malappuram district. The number of qualified personnel with a degree in Agriculture Science is 51 in Ernakulam district and 84 (inclusive of SADU) in Malappuram district. Due to the crop wise approach followed by the department in the past there has been a con-

siderable proliferation in the number of officers under the department in each district. This tendency has resulted in increasing the overhead charges of running the department and diversion of considerable part of the time and energy of the technical personnel to administrative type of work.

5. When different agencies undertake identical items of work their results may be beneficial, neutral or wasteful. The net impact on the community which has ultimately to bear the cost and reap the benefit must be criteria to be adopted in judging issues like this. Programmes with a research content even if implemented by different agencies, may go to the benefit of the community at large, at least in the long run. But in other cases where the ultimate effect is nil or negative, urgent remedial measures are called for. It was noted that some of the activities of the departments of Agriculture and Development fall into these categories and effective co-ordination at the grass root level abandoning the present isolationist approach seems to be highly necessary.

6. Minor irrigation programmes are being implemented by three agencies, namely, Public Works Department (Minor Irrigation Development Department and Agriculture Department (IPD Units). Different Patterns are being followed by different departments. It is necessary to follow a uniform pattern for peoples participation in the execution of all minor irrigation works irrespective of their location.

7. The staff contingent for undertaking soil conservation measures in the districts does not have either the expertise or the necessary orientation for extension work to facilitate an effective follow up. Effective follow up work in this regard calls for joint efforts on the part of the Soil Conservation personnel and officers of Agriculture Department at the district level. At State headquarters the soil conservation unit is working as a separate wing under the Directorate of Agriculture. Hence it is desirable that the District Soil Conservation Office is put under the Deputy Director of Agriculture in the district whose responsibility will be to arrange for immediate and effective follow up measures.

8. The departments of Animal Husbandry and Dairy Development as well as the Kerala Livestock Development and Milk Marketing Board are involved in the livestock development programmes being implemented in the State. The department of Animal Husbandry maintained the veterinary hospitals and dispensaries along with sub centres and renders both preventive and curative services in addition to the

conduct of artificial insemination to cattle for up-gradation of the indigenous stock. The Dairy Development department is mainly concerned with upgradation of the cattle population, organisation of milk marketing societies, fodder development and other related programmes. The Cattle Improvement Assistants who fan out into the rural areas and render artificial insemination are under the control of this department. Even though the innovation of the Cattle Improvement Assistants is novel, in the sense that they are not paid employees of the State Government but work on an allowance of Rs. 60 per month and fixed fees to be realised from the farmers for services rendered to them, it has not worked well in certain areas. Before being sent out to the field, they are given a short course in Animal Husbandry and are being trained for rendering artificial insemination to cattle. But it is reported that most of these youngsters who work at Cattle Improvement Assistants leave the department as soon as they get a new job or when their income as Cattle Improvement Assistants dwindles. In Malappuram districts as many as 49 out of the 69 posts of Cattle Improvement Assistants are vacant.

9. An Examination of the functions of the departments of Animal Husbandry and Dairy Development shows that there is certain amount of duplication of efforts in respect of their programmes for upgradation of the cattle population and fodder development.

10. Kerala State is considered very much backward in respect of industrial development. A faster pace of industrialisation is often considered as a panacea for all the economic ills of the State. The reorganisation of the Industries department and the setting up of District Industries centres under a General Manager and seven functional Managers was undertaken in the State with a view to help set up more number of industrial units availing the institutional finance abundantly available and other facilities extended by Government of India and other agencies at the State and national level.

11. The concept of District Industries Centres is really commendable and now all industrial programmes other than coir are attended to by the District Industries Centres. The Committee has noted that there is slight overlapping with the activities of the Khadi and Village Industries Board even now, but it is not of a serious nature and can be tackled through co-ordination at grass root level. If they function properly the Districts Industries Centres can definitely bring about the industrial development in a well coordinated manner. The Committee examined in detail the qualifications and job content of the different functionaries attached to the District Industries centres in the districts selected for study. While fixing the qualifications for different categories of supervisory and senior posts, it seems that the department has mainly gain by prescribing the qualifications possessed by the incumbents already working in the department which is generally a degree or diploma in an engineering subject other than civil or a degree in arts or science subjects and these are accepted by the department as the 'la mode'.

12. When embarking on an industrialisation programme for the State one cannot ignore the diversified

specialisations and competence that are now required for manning the units under modern small industry sector. The Committee has its own apprehensions as to whether any functionary in the present set up of the District Industries Centres will be able to give meaningful consultancy service or valuable advice to an entrepreneur interested in venturing on a specialised type of modern small industry. The qualifications and background of the functionaries working in the District Industries Centres being what they are the Committee doubts whether there is anybody with necessary qualifications and competence capable of drawing up a good project report acceptable to a national or international financing agency or attempting a refined cost or market analysis. What seems to be the need of the hour is a rational recruitment policy for inducting specialists with necessary qualifications, competence and experience who will really be able to carry out the task assigned to the District Industries Centres. Otherwise, these Centres and their advice will not be taken seriously by entrepreneurs and the District Industries Centres may, sooner or later, degenerate into places frequented only by those whose interests are restricted to getting their quota of controlled raw materials. The present contingent of Staff with the District Industries Centres should be given intensive training in the disciplines in which their services are to be utilised in a phased manner, at All India Institute of repute.

13. A good number of agencies are now implementing housing programmes in the State. A list of the major agencies and departments is given below :

1. Kerala State Housing Board
2. Apex Co-operative Housing Society
3. Greater Cochin Development Authority
4. Town Planning Trust, Trivandrum
5. Town Planning Trust, Calicut
6. Kerala State Development Corporation for Scheduled Castes and Scheduled Tribes
7. Kerala Fishermen Welfare Corporation
8. Harijan Welfare department
9. Fisheries department
10. Tribal Welfare department
11. Board of Revenue
12. Labour department
13. Public works department
14. Finance department
15. Police department
16. Nationalised Banks
17. Local Authorities

14. The multiplication of agencies will definitely involve a proportionate increase in the overheads. One reason why the proliferation of agencies has taken place is the target group approach followed in the case of housing schemes. If the number of agencies in the field of housing is reduced probably it may result in a situation where the really needy groups among the weaker sections of the community may not be able to get benefit out of the schemes. Hence it is felt that

rather than abandoning the target group approach now being followed what is required is efforts to streamline the implementation of the various housing programmes.

15. It would be desirable to develop and strengthen the Department of Training so as to make it competent to undertake a large scale expansion and diversification of technical and vocational training at lower levels. The training programmes conducted by the Departments of Harijan Welfare, Tribal Welfare and Fisheries are intended for special target groups. Since several agencies are conducting training programmes, there is no uniformity either in the course content or standards among parallel training programmes in the same subjects. In order to rectify this anomaly, it is suggested that all training programmes of technical/vocational training at sub-diploma level be entrusted to a single agency, namely the Department of Training. The special target groups should continue to get the privileges they are entitled to, at present, in the matter of training. This goal can be achieved by the responsibility of the selection of suitable candidates belonging to those target groups being vested in the concerned departments such as Harijan Welfare and Tribal Welfare.

16. Welfare measures for the general public are carried out by the Departments of Social Welfare, Development and Revenue. There can be some amount of rationalisation in the implementation of these programmes. Besides the housing programmes, the Revenue Department is now attending to welfare measures like distribution of T.B. pension, old age pension, to destitute widows, pension for physically handicapped persons and financial assistance to widows for marriage of their daughters. One reason why the implementation of these welfare measures are given to the Revenue authorities is the comparative ease with which the department can cause enquiries through the net work of village offices. But this enquiry function can very well be delegated to the Development department which can carry out the welfare measures through the block set up by utilising the services of Village Extension Officers. The implementation of these welfare activities can better be transferred to the Development department since the Social Welfare Department does not possess a ready machinery to cause enquiries and implement the welfare measures in an efficient manner. In the backward district of the State there is at present a high percentage of vacancies in the category of Village Extension officers under the Development Department. Hence steps have also to be urgently taken to have the posts of village Extension Officers filled up, as and when, vacancies arise in this category of posts.

17. From the district level discussions held at Malappuram and Ernakulam, it was learnt that the existing arrangements for planning at block and district levels leave very much be desired and are at best uncoordinated departmental efforts in the name of development Planning. Plan schemes and programmes are invariably drawn up by departmental heads at State headquarters and in several cases without even a proper consideration of the local needs, Potential or at least, the relevance. Several studies have conclusively established how the uncoordinated

approach to planning adopted by departmental heads in the State have tended to hamper the successful implementation of development programmes requiring plan outlays concurrently in related departments.

18. The District Collector is the head of development administration in each district and is to offer administrative leadership in the development programmes being implemented. By virtue of his position as the District Collector he is able to exercise an overall control over the activities of development departments functioning in the district and is able to sort out matters when problems of an interdepartmental nature arise. But even this role is limited by the fact that the budgetary allocations within which each development department has to operate is decided elsewhere, some times even ignoring the complementary nature of the functions assigned to different departments. The imbalances that creep in the budgeting of the complementary nature of functions in other departments naturally results in an inadequate budgetary provisions and lopsided development. In a situation like this no amount of personal discussions or circulars will be able to do what is required to be done and even the institution of the District Collector may cease to be an effective instrument of co-ordination.

19. Effective co-ordination of the developmental activities in a district is possible only through the process of decentralised planning. At present the District Collector and D.D.C. are required to co-ordinate the various development schemes and programmes drawn up by different development departments at their headquarters in an expert manner. They have very little say in the actual formulation of the schemes and programmes and invariably there is not even prior consultation at this stage as to their feasibility in the districts concerned. In the process, developmental priorities that have to be assigned taking into consideration the peculiarities of each district, are sometimes ignored or overlooked.

20. There is no dearth of technically qualified hands in Kerala except in a few highly specialised areas. The rampant unemployment among highly qualified categories like doctors and engineers and their large scale exodus to other parts of India and foreign countries is ample proof for the low tempo of development and under utilisation of such talents within the state. It is rather ironical that while there are large numbers of employment seekers in the State with qualification waiting for an opening, Government departments like Industrial and Training as well as several public undertakings are manned by personnel without the appropriate qualifications even at supervisory and managerial levels. This state of affairs is partly due to the irrational recruitment and promotion policy which does not give scope for induction of personnel at supervisory and senior levels and partly to placements being made on extraneous considerations. This is in no small measure responsible for the slow pace of industrialisation programmes in the State.

21. In the field of agricultural development, governmental efforts, so far has been able to create an apparatus with an abundance of qualified agricultural scientist in each district. The problem in this

case is therefore one of making the maximum utilisation of the available personnel. In other words the Agriculture Department in the State is well poised for a massive developmental effort provided the extension machinery is streamlined so as to make it capable of transferring the modern techniques including results of research to the innumerable and highly scattered production units.

22. For implementing development programmes it is highly necessary that the official apparatus envisaged for the purpose should be fully in position so as to maintain constant contact with the people and carry out the various functions assigned to it at different levels of operation. The Committee has noted that a high percentage of the number of posts at operational level is generally vacant in the backward district of Malappuram. A few illustrations noted at the time of the study will be useful to assess the gravity of the situation. In the case of Development Department in Malappuram district as many as 60 out of 117 posts of General Extension officers, were vacant of Lady Village Extension Officers and 7 out of 13

posts of General Extension Officers, were vacant besides one post each in the category of Block Development Officer and Assistant Engineer. In as many as 49 out of 69 panchayats, there were no Cattle Improvement Assistants of the Dairy Development Department. The situation is likely to be more or less the same in other backward districts of the State also. This is one of the major factors hampering the progress of implementation of development programmes in backward areas. The low percentage of staff in position in backward districts is due to non-availability of qualified hands in the areas concerned and the disinclination of personnel from comparatively developed areas to stay and work in backward areas which lack in many of the essential facilities. Some measures that suggest themselves for countering this tendency are (i) extending the present practice of district recruitment to more categories of personnel, (ii) providing rent-free quarters to personnel working in remote and rural areas of backward districts and (iii) providing a premium (say 25%) for services rendered in tribal and hilly areas, so that every year of service in such places will be counted as one and a quarter year's service.

